



(c) crown copyright

SAV16

POL-F53-24-90

SAV16

LIDDELL DIARTES

FILE CLOSED

S Form 924

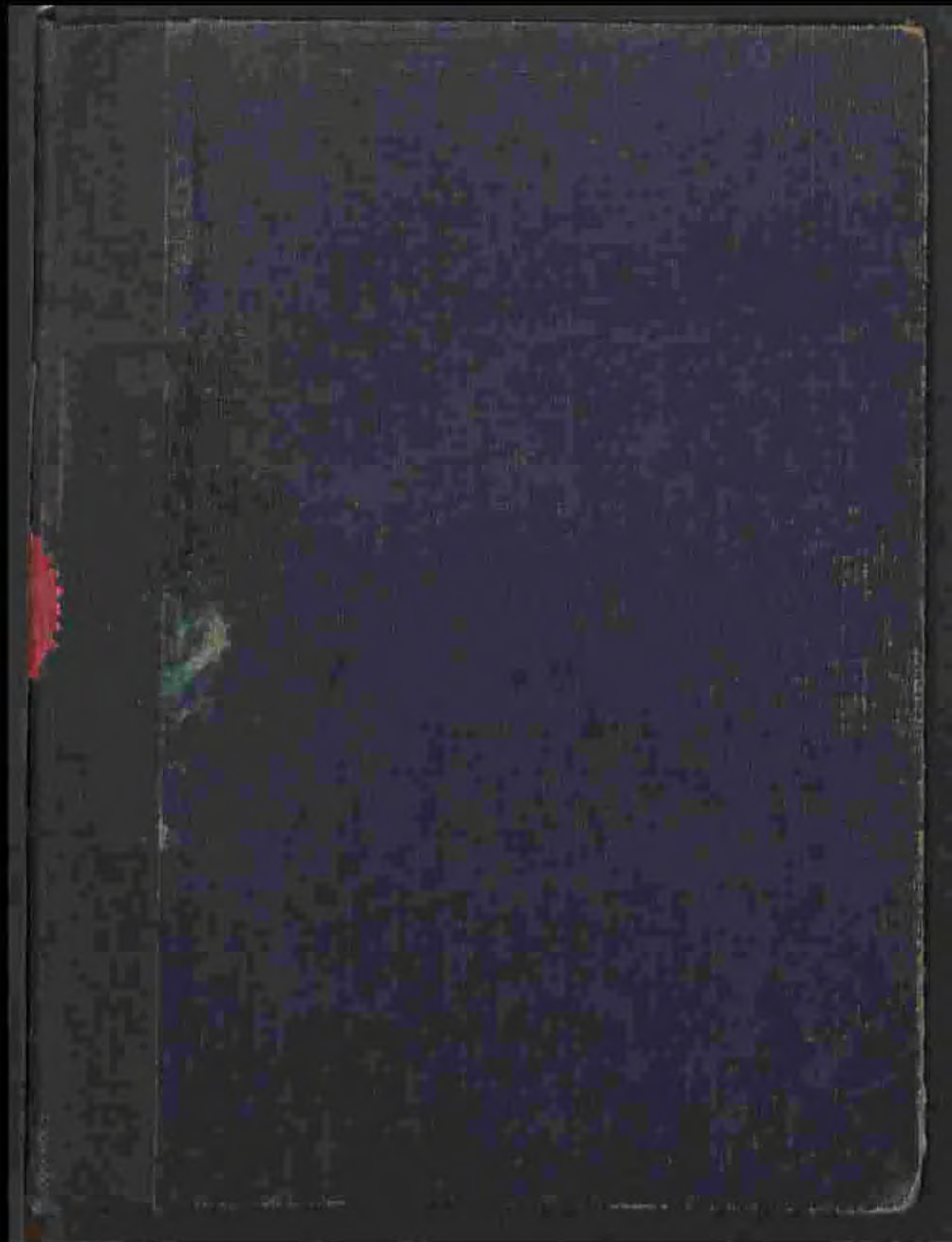
SEE ALSO LIST INSIDE COVER

Serial No.	Star nation	Date	Serial No.	Star Designation	Date	Serial No.	Star Designation	Date
				KVH/H69				

S. Form 960

POL F 53-24-90

FILED / SAVTO



13th May.

I arrived at Heathrow at 4 p.m. from Malta.

15th May.

I saw the D.M.I. about Colonel Stables's organisation in Hong Kong. He was quite emphatic that the 'I' Branch should not be running agents at all, and that the collection of all information regarding China should rest with the M.A. Nanking, and that for civil security of the Island the G.O.C. should look to the D.S.O. He instructed Hirsch to send a wire to Malone, the new D.G.S.I. in Singapore, asking for his final views. I told D.M.I. that from what I had heard Malone entirely agreed with us about the definition of functions.

We then discussed the J.I.C. meeting of yesterday on the future of SIME. D.M.I. seemed to think that some progress had been made. The crucial point was whether our officers should be handed over to S.I.S. as the troops withdrew. He entirely shared our view, that a settled Security Service at the back of the armed forces in the Middle East was essential, and that in order that this organisation could function properly in war time it should control the outposts in peace time. I realised, however, that the argument was a difficult one, unless it were admitted that S.I.S. were not by nature properly trained or qualified to carry out Intelligence duties. D.M.I. is 100% on our side.

16th May.

We had a meeting on India with Dick, Vickery, Bamford and Vivian. I told them about my meeting with Patel, and D.I.B.'s unfortunate

remark that it would be better for us to start with a clean slate and appoint somebody who had no previous connection with the Indian Police or the I.C.S. This was deprecated by all, but it was felt that we should have to more or less stand by this arrangement for the first few months, when we might perhaps get it modified.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3(4) OF THE PUBLIC RECORDS
ACT 1958 August 2010

It was agreed that we would select an officer and get him out as soon as the necessary accommodation was available.

Fforde of the Palestine Police came to see me. I told him what I had been doing in Palestine and the various projects which we had discussed. He does not entirely agree with Grey about the Military merely using their eyes and reporting on suspicious circumstances in a virtual way. He thinks that if they are deprived of the right of running agents, there may be a loss to Intelligence, since there are many people in Palestine who are prepared to talk to the Military, but do not like talking to the Police. I think there is something in this argument; it exists in a minor degree here. Fforde said that he was shocked by the lack of knowledge and the lack of appreciation of the difficulties in Palestine that he had found in official quarters here. He said that our office was the one and

only notable exception.

19th May.

At the D.G.'s meeting to-day I gave a general outline of my tour.

I saw Trafford Smith this afternoon. I discussed first of all _____ material and told him what arrangements I had made in Palestine. I thought that I had shaken the High Commissioner and, to some extent, the Police. Gurney, however, was rather in favour of the _____ - in spite of the difficulties that I had enumerated. Trafford Smith thought it a good idea that a brief was being prepared: this led me to point out the vast amount of material that existed in Palestine and the feeling there that it was useless to send it to this country as there was nobody in the Colonial Office to digest it. I asked whether there was any possibility of forming a small secretariat in the Colonial Office, at any rate until the U.N.O. proceedings were over. Trafford Smith readily admitted that the Colonial Office hardly had time to digest what they got and that the suggestion was a good: on the other hand, he did not quite see where the extra staff was coming from. He is quite ready to speak to Lloyd, but would like his hand reinforced by a letter from Gurney. I said that Gurney _____ undertaken to send a letter and that I would telegraph to the D.S.O. in order to hasten its despatch.

20th May.

I had a discussion with Charles and Horrocks, at which Courtenay was present, about allowances in the Far East. It was quite clear that there were many anomalies which needed adjustment, apart from some general guidance as to precisely what allowances were for and what was a legitimate charge on Security Service funds.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
4 OF THE PUBLIC RECORDS
ACT 1958 August 2010

21st May.

I saw 'C', to whom I explained exactly what my discussions had been in Palestine on the subject of _____ and its use at U.N.O. He seemed quite satisfied with the line that I had taken.

I also talked to him about the "Colony Trader", a ship which is now in Gibraltar and which is undoubtedly to be used for illegal immigration. We had been asked by the Inter-Departmental Committee to put some sand in the wheels, and the Governor had been told to delay the ship by every possible legitimate means within his power. 'C' said that he did not wish to carry out an S.O. operation from Gibraltar because it would demonstrate clearly that the British were engaged in this kind of thing and prejudice operations that he had in mind elsewhere. I said that I felt the straightforward thing would be to put a Marine guard on board and let the Costa Rican Government and the Americans squeal. If they brought an action, so much the better. 'C' entirely agreed.

We had a long meeting of the Appointments Board, when the staff position in the Far East and Middle East was considered. We decided that Hugh WINTERBORN should be made Head of S.I.F.E., but at the conclusion of his term with that organisation should, if he desired to join the Security Service, revert to the scale of other officers who have recently joined. His position vis a vis ourselves is to be regularised by putting him on our Army 'ceiling' until he is due for his Army pension in two or three years time. FRIPP and HUNT are to go.

I saw Sir Thomas Lloyd about the "Colony Trader". He was quite prepared for the action suggested and proposed to put it to his Committee to-morrow. He did not seem to

think that Ministerial authority would be necessary. 5

22nd May.

Yesterday the D.G., at our meeting to consider staff matters, said that he had decided to make a change as regards the secretarial staff: he had not been satisfied with the way in which he was receiving his papers and he had therefore decided to have his own secretary in a separate room. I said I hoped that there was no suggestion that his papers were being deliberately sidetracked, to which he gave no positive reply. I therefore raised the matter again the following day. I said that I had been disturbed by what he had said on the previous day, since from the action he had taken he must have felt that I was in some way trying to usurp his functions, and that Miss Findlater was deliberately sidetracking his papers to me; and, indeed, that other officers of the pre-war staff were also deliberately sidetracking his papers. I said that nothing was further from any of our intentions; our sole job was to brief him in all matters of importance which might be the subject of discussion at the J.I.C. or elsewhere. I quite realised there had been cases where papers had taken a considerable time to reach him, but every effort would be made to put this right. The problem, however, was not without its difficulties, since it was the practice in this office to join up any incoming paper with the appropriate files: it often happened that the file was in action and on occasions it might not be easily traceable. It also happened from time to time that a letter of importance needing action came in when he was out and got sidetracked in that way. Further, there was an immense turnover in the office of letters, many of which were addressed to him as a matter of form but with which he need not really be concerned, since they were entirely of a routine kind. The D.G. said that he had in fact thought that some of the staff might not have approved of the way he was trying to run the office and were deli-

berately keeping papers away from him. I assured him again that this was an entirely wrong impression, when he told me to forget about the whole incident.

The D.G. saw the P.M.

He said that he had had reports from an M.P., Mrs. Gould, about Fascist activity at Hendon. The D.G. said that in a general way Fascists were at sixes and sevens and that he knew of nothing serious in Hendon; he would, however, make enquiries. He mentioned to the P.M. the question of the "Colony Trader", and found him entirely in agreement with the course of action suggested. This I passed on to Sir Thomas Lloyd.

At the B. Meeting to-day I gave an outline of my tour of the Far East and Middle East.

23rd May.

Catling came to see me this morning. He said that the I.G. would be arriving next Thursday. There were two points: firstly, SHINDLER, who had been associated with Conquest, was on his way to this country as an attack had been made on his life. He was a German Jew, aged 38 in 1939, and formerly of the Berlin Police; joined the Palestine Police in the 30s and reached the rank of Inspector. Gray would be interested in finding him employment with the Control Commission.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3(4) OF THE PUBLIC RECORDS
ACT 1958 August 2010

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3(4) OF THE PUBLIC RECORDS
ACT 1958 August 2010

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3(4) OF THE PUBLIC RECORDS
ACT 1958 August 2010

Catling came to see me. He had just got out of Palestine on three months leave. The IRGUN have been gunning for him for some time. I told him about the "Colony Trader", on which, on instructions from the Colonial Office, a guard has now been placed.

I saw Sir Edward Bridges, on the D.G.'s instructions, and told him about my visit to India. He agreed that we should go ahead with the appointment of a liaison officer in Delhi. He thought that it was possible that we might ultimately have to put one in the Punjab as well. I talked to him for some time about my visit to the Far East and Middle East, and in particular about the situation in Palestine.

[He asked me whether in the course of my visit to the Middle East I had been able to find any solution of the M.I.5./6 problem to which I replied that unfortunately I had not. I told him about the J.I.C. in Singapore and suggested that it might be helpful if the Chairman and Secretaries of J.I.Cs abroad had got some experience of the workings of the J.I.C. in this country. He felt that this might be difficult at the moment, but that when new appointments were made it would be an excellent idea. I talked to him about India and told him what our plans were.

29th May.

9

I had a word with FORBES, who is going to act as P.A. to the High Commissioner in Palestine and has been undergoing a short course. I told him about the "Colony Trader" and also about the proposed use of . I also mentioned my visit to Trafford Smith on the question of staffing the Colonial Office and the receipt of Police reports. Trafford Smith had expressed

the view that he was sufficiently staffed to absorb more materials and would be glad to have some of the more significant of these reports which he felt would be more telling than the ordinary situation wires. I asked Forbes to let Gurney know about this.

lunched with Van MOYLAND.

I had a long talk with TOLSON about the unit that he had built up in Calcutta. While I felt that he had had considerable Intelligence experience, I did not very much like his personality. He struck me as being singularly undemonstrative.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3(4) OF THE PUBLIC RECORDS
ACT 1958 August 2010

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3(4) OF THE PUBLIC RECORDS
ACT 1958 August 2010

2nd June.

I gave a talk to the A.L.Os on my visit to the Far East and Middle East.

3rd June.

We had a meeting with Colonel Adam, Hollis, Dick and Horrocks on the Communist Working Party. It was decided that we should prepare a rather fuller note for the D.G. and that it would be preferable that he should see Bridges rather than the Minister of Defence.

At the D.D.G. meeting we discussed manpower requirements in the event of war, counter-sabotage in Palestine, and a suggestion that we should plant agents, or informants, in research establishments, and the new procedure for distributing of J.I.C. papers.

I had a meeting with Dick, Hill & Derbyshire about "SHARKEY". It was decided:

- (a) that I should speak to Craufurd;
- (b) that Haylor was already warned;
- (c) that there was no particular point in talking to Alley;
- (d) that Dick would speak to Douglas Roberts;
- (e) that Derbyshire should gradually extract himself without giving offence;
- (f) that we should continue observation on "SHARKEY".

11

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3(4) OF THE PUBLIC RECORDS
ACT 1958 August 2010

4th June.

I attended the J.I.C. when I made a statement about my visit to the Far East and Middle East. We had previously had a discussion with Trafford Smith on Quill's report on Palestine. The outcome is an attempt by the Colonial Office to obtain the services of Bob NEWTON, a Palestinian expert, at present undergoing the I.D.C. course. NEWTON would take charge of the Secretariat and condense some of the many reports that the Police receive which have a bearing on the publicity of the Agency. This will take the place of Quill's idea of a J.I.C., which was unacceptable to the J.I.C. London. J.I.C. London

felt that they could not usurp the functions of the High Commissioner to the extent suggested by Quill. I pointed out that many of the problems mentioned by Quill had already been the subject of discussion while I was in Palestine. For example, the question of finger prints. The High Commissioner had agreed in principle; the only question was whether any local regulation could be made against mass obstruction. If such a regulation were imposed in this country, ration cards and clothing coupons could be cancelled and would only be reissued after people presented themselves at local police stations and had their finger prints taken - did similar sanctions exist in Palestine? As regards the interchange of intelligence, I had the impression that this was going on very satisfactorily: there was a daily meeting between the G.O.C. and his I. Staff, the D.S.O.

The D.S.O. was in constant touch with the police and ~~wo~~ were his subordinates. The D.S.O. saw the Secretariat and the High Commissioner at regular intervals. What seemed to me to be more necessary was an Intelligence Planning Board, which would concern itself with production and ascertain what ground was being covered by each production agency; where there were gaps; and who could fill them. I put this to the G.O.C., who had shown some doubt about its necessity, but did not turn it down. Before leaving I instructed the D.S.O. to call a meeting on specific matters, and I hoped that this would ultimately become a general and regular practice. On the general question of Palestine I said that there was clearly a feeling of frustration, owing to a lack of appreciation at home, particularly in Ministerial circles, of what the authorities in Palestine were up against. There was a great deal of information in the police files which never reached the Colonial Office, for two reasons: Firstly, there were no research workers in the Police, who were engaged in dealing with day to day outrages, and secondly because there was nobody to digest the material

in the Colonial Office. This material, however, only had a bearing on the duplicity of the Agency; it did not relate to the day to day activities of the Irgun. What was really lacking was positive information on what the Irgun were going to do next Friday. Only with information of this kind was it possible to suppress terrorism. It was difficult, or almost impossible, to obtain owing to the hostile or terrorised attitude of the population. The Police ~~clearly~~ had been let down over a long period both in strength and efficiency, and it was difficult to build them up in the present circumstances. To obtain information through informants about the Irgun, it was necessary to have been in on the ground floor and to have held some control of the organisation as its activities increased. The only other method of suppressing terrorism would be a system of guards, for which the present manpower was inadequate. If all roads and buildings were to be safeguarded, another two Army Corps would be necessary. I suggested to the G.O.C. that he should have a liaison officer sitting in Police H.Q., as I felt this would create better understanding of each others problems. I had done this at Gray's suggestion. The G.O.C. agreed, but could not at the moment think of a suitable officer. Later I gave a brief resume of what I had done in the Far East, and I mentioned in particular the satisfactory arrangements for co-operation between ourselves, M.I.6. and M.S.S., and the somewhat untidy state of J.I.C.(FE), which I felt had grown too much. Off the record I had previously spoken to Hayter, suggesting that future Chairmen and Secretaries should do a course with the J.I.C. in London before they went out. I could not go too far at the J.I.C. as Pendred had been the former Chairman of J.I.C.(FE) and was probably more responsible for its woolly state than anybody else. In talking about Cairo I drew attention to the undesirable activities of B.T.E., who were running agents into Cairo. I thought we should be able to settle this matter locally.

I had my first talk with MANN, the new A.L.O. Scotland. I liked him very much. I think he fully understands the delicacy of his position and the importance of secret material not getting on to Police files which are accessible to everyone in the Force.

RIVETT-CARNAC has arrived over here for three weeks. He is apparently in need of a rest. On his return, I gather he is to be posted to one of the districts. This is a pity as he will no longer have his hand on Intelligence matters. He should, of course, be made an Assistant Commissioner i/c Intelligence with direct access to the Commissioner. At present the Intelligence Branch of the R.C.M.P. in Canada is handicapped through being tied up with the C.I.D.: this means that before its problems reach the Commissioner, they go through the hands of two highly placed C.I.D. officers who know nothing about them.

5th June.

M.E. came to see me about the General Research Section of L.S.I.C., the Head of which has resigned. It is obviously a job which M.E. could do, and his presence there would pay us a large dividend. The efficiency of the unit has been steadily deteriorating since the liquidation of R.S.S. I told him that we should more than regret his departure, but that we should not think ill of him if he applied for the job. We had certain things in mind for him here, but owing to various obstructions it might not be possible to do anything for some considerable time, and he might well feel that he had a better future in L.S.I.C. - if so, he ought to apply for the job. If he got it, we should concern ourselves with the fact that a vital part of the L.S.I.C., which mainly affected our interests, was in competent and co-operative hands. If he was turned down, nobody here would think the worse of him. He is going to see Travis.

Sir Reginald Chapman, Governor of Aden, came to see me. He wanted to know about Antoine BESSE, a Frenchman in Aden, whom he wished to recommend for a decoration. He knew that BESSE was to some extent a rogue, but he clearly felt that there were political advantages in getting him decorated, provided his record was not too black.

As far as I can see, there is nothing too bad on our files, but they amply confirm that BESSE is a somewhat unpleasant rogue who can turn on the charm tap whenever it suits him. Chapman was very friendly, and I am sure will do anything to help S.I.M.E., about which I spoke to him.

Sichel rang me up about Whitney STRAIGHT, who is the Personnel Manager of B.O.A.C. S.I. have some arrangement with B.O.A.C., into which Whitney STRAIGHT by reason of his position will have to be thrown. Sichel wanted to know whether they were on safe ground. I spoke to Tess (Rothschild), who said that as far as she knew he was quite all right, although he had been through a period of infantile leftism.

6th June.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3(4) OF THE PUBLIC RECORDS
ACT 1958 August 2010

16.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3(4) OF THE PUBLIC RECORDS
ACT 1958 August 2010

The D.G. called a meeting to discuss a letter which he had received from Perfect, complainin that Head Office did not keep him informed. When we got down to detail there was an answer to most of Perfect's complaints, some of which were due to his own lack of initiative: for example, he wanted us to collect from the Colonial Office reports which the Governors send home and which might affect his work - the obvious answer was that there was little point and a long delay in this method: he ought to make arrangements locally to get copies of these reports. We were asked to draft a suitable reply.

9th June.

I lunched with Derek Tangye, when I discussed with him the question of his car. He wants to buy it from the office; it is in a bad state and has done 75,000 miles. I told him to discuss the matter with Malcom Cumming.

There is a proposal to bring over machine tool makers who have expert knowledge of high precision work. The idea is to deny their services to the Russians. While I agree that we should not necessarily oppose the proposals we should at least make it clear that it is generally desirable to keep that particular industry clear of aliens, whether Germans or other nationalities. Experience had shown that the knowledge of the work of our machine tool industry gave the enemy a knowledge of our industrial mobilisation capacity and of detailed construction. In fact, if you wanted to acquire information of this kind in relation to a foreign power, you could not do better than to put your agents into the machine tool industry. We should also make clear that these Germans would be free agents who could, if they were dissatisfied with the terms of their employment transfer their services elsewhere. Lastly, if our machine tool industry was filled up with aliens at a time of crisis, there would always

18:

be a demand for their removal whether they were guilty or innocent. This has a dislocating effect on the industry at a moment when it should be at its highest point of efficiency.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3(4) OF THE PUBLIC RECORDS
ACT 1958

AUGUST 2010

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3(4) OF THE PUBLIC RECORDS
ACT 1958 August 2010

10th June.

Brigadier BOYCE, whom I had seen in Delhi where he was D.D.M.I., came to see me about employment. I said that I did not know of anything at the moment, but if he cared to fill in a form we would let him know if anything turned up.

11th June.

Janet HOWE, who is a friend of Edward Renton, came to see me. She had been de-Nazifying the educational system in Austria. She was a lecturer in German and French at Kings College. I told her that I doubted whether there would be anything for her here, but that I might find work for her elsewhere.

Dick and I lunched with Vickery, when we discussed the possibility of having a liaison with Pakistan. Vickery thought that we ought to arrange things so that the approach came from the Pakistan Government. I had 'George' Jenkin in mind, but did not know whether the job would be acceptable to him. In any case we all felt it would be a good thing to write to him and get his views.

At the Appointments Board to-day it was agreed that we should offer the post of H/S.I.F.E. to Hugh WINTERBORN,

13th June.

I attended the J.I.C. Deputies meeting. The question of German experts for our machine tool industry came up. I said that while we had no wish to oppose the project, if it were thought that the advantages outweighed the disadvantages. On the other hand, I thought the Committee should appreciate the dangers of filling up such an industry with aliens. I gave them the arguments previously mentioned (see 9th June).

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3(4) OF THE PUBLIC RECORDS
ACT 1958

21

LATHAM, our D.S.O. in Tripoli, seemed an intelligent individual who had for some time been working more or less on his own and building up quite a good show. I explained to him that we had of course taken over SIME and that Kellar had been extremely busy. I was sure, however, that he would pay him a visit as soon as possible. LATHAM knows Malay and Tamil and was formerly a rubber planter. He would be quite ready to stay on with us after his demobilisation in about a year's time and, if necessary, to go to Malaya.

14th June.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3(4) OF THE PUBLIC RECORDS
ACT 1958 AUGUST 2010

Two members of the Stern gang have been apprehended in Holland, carrying bomb letters, etc. One of them has been identified by his finger prints as LEVSTEIN, whose prints were on the Colonial Office bomb. The other is believed to be the woman who placed the bomb.

16th June.

Max Knight came to see me about the yearly donation to _____ As something was due to him for services during the past war, I said I thought that we ought to pay, but that this probably ought to be the final payment. To arrive at a definite decision on this point, I asked Knight to ascertain who the principal subscribers were to the Economic League and what services they got for their money.

Page called at our request to help in the matter of housing in Singapore. Owing to some muddle we are losing two houses on July 31st. Page eventually agreed to send a wire to the C.-in-C. asking him to give Winterborn all possible assistance.

I saw _____ when he handed me certain documents relating to Communist matters. Of special interest was a report on a number of Dutch Communists, said to be in the employ of the French Deuxieme Bureau. I said that it would be interesting to know whether this was an attempt by the 2eme Bureau to do something for the Russians, or whether they were using these people to get information about the international Communist movement. I was unable to tell _____ whether the French Services had in any way been penetrated by the Communists. I thought, however, that they were fairly clean in this respect.

_____ asked me to let him have comments on the documents before the 24th, when he was going to Holland.

This advance by _____ raised quite a difficult question.

We feel that the Dutch Police are a much better bet, and that we would like to conduct our own liaison with them through _____

EDE came to talk to me about the proposal that he should be our liaison officer with D.I.B. in Delhi. He is clearly not anxious to go.

James Robertson has just returned from the Middle East. He managed to see Alec Kellar in Greece. Alec is apparently convinced that Gerhold ought to remain at the head of B.C.I.S. which is doing extremely important work for S.I.M.E. The D.N.I. ~~xxxxxx~~, who visited Greece, appears to be of the same view.

17th June.

23

I had a meeting with Dick, Hollis, Tar, Mrs. Quinn, and Miss Russell King, about our relations with the Dutch. It does not appear that we are getting anything of any consequence.

Meanwhile Van Moyland is passing us quite important information which comes from the Police. We are prevented from reciprocating owing to our agreement with S.I.S.

D.D.G. Meeting.

I saw Maxwell on four points, to which he has agreed:

1. that if we want to put a name on the Stop Hist we need not inform him until we actually want to use the line.

2. We can extend a telephone check from one number to another, provided there are reasonable grounds for thinking that the individual in whose conversations we are interested is using more than one line.

As regards 1. and 2., this is on the understanding that such cases are referred to me personally.

18th June.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3(4) OF THE PUBLIC RECORDS
ACT 1958 August 2010

I lunched with Vickery, when I met CROMBIE, who is the Deputy High Commissioner designate for Burma. He undertook to try and arrange for accommodation for the D.S.O's office in the High Commissioner's office.

Brooman-White came to see me. He is at present acting as Deputy to Teague. He is generally in agreement about our proposals for S.I.M.E.

19th June.

course at the jet propulsion research establishment. It was thought that information might be extracted and that relations might be established which would lead to a British subject going over to Russia. It

25

seemed to me that even if all this happened the results would be very problematical. On the other hand, the risks were considerable: there would be people attending the course who would obviously talk far beyond anything said at the lectures, and there is little point in building up the Russians in the ABC of jet propulsion; the more so since we were simultaneously bringing over German technicians in order to deny their services to the Russians.

I had a meeting with Laithwaite on the subject of Burma. He agreed to our proposal that the office should be attached to the High Commissioner. He also agreed to BATTERSBY as a good successor to HUNT. He said that Burma would almost certainly go outside the Empire and there there would be no transitory stage of Dominion status. The Burmans apparently wanted some compromise between going out of the Empire and staying in it; but this was not considered to be feasible. He told me that the Burmans have now included the Russians on their list of nationalities with whom they intended to establish diplomatic relations.

Colonel Wild came to see me about the proposal for setting up the Hollis Committee and abolishing the W. Board. I said that, provided the Hollis Committee did not embark on any detail but confined themselves to giving approval or disapproval to the plans put up by the I.S.C., the system should work well.

At the Appointments Board meeting, it was decided to make an approach to SKARDON, whose services would be valuable to the office as a whole and in particular to B.I. It was also decided to make an offer to Cowen and to leave the employment of his wife to Winterborn.

I had dinner with MACDONALD, who is going out to S.I.F.E. He is a likeable character and I

should say would make a good officer.

20th June.

SKARDON came to see me. He had previously seen Horrocks, who had offered him a job with us if the necessary arrangements could be made with the Police about his transfer and pension. SKARDON was clearly very much attracted by the offer and had practically made up his mind to accept. I told him that I thought he ought to consider the thing very carefully and feel quite sure that he was doing the best thing he could for himself. I said that we should want his services in B.I. and that doubtless there were many other jobs of the kind which he knew on which we should want to employ him. I think he appreciated the fact that he had been asked to join the office.

21st June.

Admiral Godfrey came to see me. He said that he was making certain enquiries on behalf of D.N.I. about our relations during the war. He rather wanted to know whether we thought that they were satisfactory, or whether they could be improved in any way. I said that I thought things had worked extremely well: there had been a certain amount of trouble over an attempt by Bennett to create a bottle neck for all matters affecting the Admiralty: this we had strongly resisted, since we felt that all sections of this office ought to be in direct touch with their opposite numbers in N.I.D. Godfrey entirely agreed.

23rd June.

I went to see Burt. I told him about SKARDON. He said that he thought SKARDON would do us extremely well, and that if he were wise he would accept the job. While he thought it quite possible that he would go to Chief Inspector, promotion was so clogged at the Yard that there

was not likely to be much chance of further²⁷ promotion.

I then talked to Burt about certain cases of apparent leakage to the Press on matters affecting Palestine. I said that we were slightly worried about this, since we often passed him information from highly secret sources: if that information went into the general registry of S.B., it was of course open to everyone at the Yard. Burt said that occasionally he kept papers in his safe, but that he did not like the practice as they were unregistered and unconnected with relevant papers. He promised to look into the matter with Jones and see whether anything could be done. He told me that privately he himself was somewhat worried.

Ffoulkes came to see me before leaving for Palestine. I discussed with him certain points which had been left in the air and which related to discussions I had had when I was in the country. I also discussed with him Gray's desire to develop the "mike". He will take up all these points on arrival.

I went to see _____ and handed him comments on the documents that he had previously given me. He said that he would try and clear up these points while he was in Holland.

24th June.

Group Captain Brodie, who has succeeded Pearce at the Air Ministry on the security side, came and had a talk with me on the general work of the office. He is an oldish man and may be all right when he gets into the saddle.

I saw Sir Raymond Birchall on the various points which I had raised with Maxwell about the handling of telechecks, etc. He agreed to all the points and was wholly co-operative.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3(4) OF THE PUBLIC RECORDS
ACT 1958 August 2010

25th June.

At the J.I.C. to-day Hawtrey's memorandum was commended, although it was not considered entirely suitable in its present form. I gathered that another memorandum on somewhat similar lines, relating to Stalin's policy, was in the course of preparation and would be out in a few days time. This is being prepared on non-secret lines with a view to its being given the widest possible circulation in Government circles. Since the events in Hungary, it seems that consideration is likely to be given to the view that a wider publicity should be given to what are believed to be the long-term objectives of Soviet policy, and also to the conditions which prevail in Soviet Russia.

At the request of the D.N.I. the suggestion for the setting up of the Hollis Committee is to be discussed between the J.I.C. and the Planners - Sanders of the L.C.S. being present. In discussion, I think the D.N.I. was quite satisfied that the Hollis Committee was the best machinery for the purpose. The rest of the meeting concurred. I do not think, therefore, that the discussion next week will cause any change in the present plan. The Chairman wondered what in fact had been done to implement certain suggestions which were made at the last meeting of the 'W' Board. One of these suggestions was that Wingate should concert some plan with Sir Henry Tizard. The D.M.I. raised the question of Russian defectors in the British zones of Germany and

29

Austria. He said that he could get little help out of the Americans, who were passing all the bodies on to the British after a short interrogation. The numbers were increasing and he was anxious to find some way of disposing of the bodies. He could not send them back; firstly, because this would discourage other, and secondly, because after interrogation they would have valuable information to impart to the Russians. The Secretary then handed round a note on the Ministry of Labour scheme for bringing D.P.s. into this country. It was suggested that possibly Russian defectors disguised as Czechs or Balts could be included. A paper is being prepared on the present state of Russian preparedness, which General Hollis wants for the Minister of Defence.

Roger Moore looked in. His only problem is connected with the entry of aliens into Northern Ireland from the South. There was firstly the difficulty of detecting these aliens, but if they were detected, the Home Office for some obscure reason would not allow a prosecution and gave orders that the aliens should be registered, even though they had entered without a visa for the U.K. I said that we would look into this matter for him.

Vivian and Hill came to talk to me about the proposal by the Government Publications Section that short histories of S.O.E., M.I.6. and M.I.5. should be published. In our case the ZIG-ZAG story was suggested by the War Office. M.I.6. appear to have half committed themselves. We told Viv that so far as we are concerned we did not intend to submit any stories, and that the ZIG-ZAG story was particularly unavitable, since it disclosed all our methods. Moreover, we had just prosecuted ZIG-ZAG for the publication of certain facts, and were constantly urging the Press to adhere to D. Notice No.1.

28th June.

Tin-Eye appears to be in serious trouble. The D.M.I. told Dick that two of his officers - one a doctor and the other an alien interpreter - were to be prosecuted for criminal acts. It is alleged that the windows of one or two of the cells were broken deliberately during the cold spell last winter and the prisoners were left with one blanket. In addition, somebody was in the habit of coming in periodically and throwing a bucket of cold water over them: frostbite had followed in one or two cases which had been followed by the amputation of the limbs. There is no reason to think that Tin-Eye himself knew that this was going on, but as the officer commanding he will certainly be held responsible. We have had to consider was the office interest is in all this. Tin-Eye is a commissioned officer in the Army and for disciplinary purposes under the C.-in-C. We cannot, therefore, as he suggested intervene on security grounds; neither did Hill think it desirable that we should hold a watching brief for M.I.5., since people might immediately say "what has this got to do with us?" Our only fear is that people will say that this is how Camp 020 got their information during the war, and it would therefore be convenient if there were someone there who could unofficially look after our interests. I telephoned to Tin-Eye, who had previously telephoned to Dick: I told him that it would not be in his interests, or in ours, to intervene in any way - in fact we have no locus standi whatever: we were, however, ready to help him on a personal basis. He said that he had no counsel and he did not know when the court martial was to take place. I asked him whether he would like Cussen. He seemed to think he would and suggested we should consult Max Rowe, a lawyer who had served in CSBIC and knew the ropes. I spoke to the D.G., who agreed to the course of action we proposed. He thought, moreover, that the office would be justified

in meeting at any rate part of the expenses.

31

30th June.

Hick and I had a meeting with Vickery and Bamford about the future of I.P.I. Dominion status is to come into force on August 15th, when the India Office will become a part of the Dominions Office. The India Office cannot then act as a channel for I.P.I. communication with India. It was suggested, therefore, that Bourne, who has been agreed as the most suitable person to become S.L.O. Delhi, should come home for briefing at once and take up his position in Delhi on August 1st. On this date I.P.I. will be transferred to the Security Service, and all communication with D.I.B. will in future be passed by them to the S.L.O. through the High Commissioner. We agreed that for the moment it would be best to leave I.P.I. as a unit.

1st July.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3(4) OF THE PUBLIC RECORDS
ACT 1958 August 2010

I had a talk with Boothroyd, who subsequently saw the D.G. He had come over from Germany on a few days leave and had been asked by Stephens to come and see us and explain Stephens' predicament. I got hold of Cussen, to whom he gave a full picture. There have been two enquiries; one a military one - though not a properly constituted Court of Enquiry - and subsequently Superintendent Hayward of the C.I.D., now attached to Public Safety to deal with Black Market cases, had conducted a more detailed enquiry. The procedure seemed in certain cases to be questionable: statements had been taken from internees and members of the C.S.D.I.C.

staff had subsequently been interrogated on these statements: and in one case an officer had been forced against his will to make a statement in his defence. Certain allegations have been made against two officers, which are of a criminal kind, and Stephens is likely to be court-martialled as the officer responsible.

Cussen advised that Stephens should wait until he received notice of a court martial, and should then state that he wished to communicate with Charles Russell & Co., his solicitors in London, and to be represented. Cussen thought that if he took any action before, involving a visit to this country or getting legal aid from this country, he might precipitate action: this would be a pity as it might be that J.A.G., on considering Hayward's evidence, would think that no charge lay. Cussen is prepared to give us the benefit of his advice here, but is not quite sure whether he will be available to take the case overseas. If he can do so, he certainly will. It is necessary to act through a solicitor, and Dick Butler, in view of his knowledge of O20, is considered the most suitable person. I have told all this to the D.G., who had previously approved of my seeing Cussen, and subsequently approved of the use of Dick Butler. He seemed to think that at any rate part of the defence should be a legitimate charge on the office, in view of the fact that our good name might to some extent be at stake. It might, for example, be alleged that what has been going on in Germany formerly went on in Camp O20.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3(4) OF THE PUBLIC RECORDS
ACT 1958 August 2010

W
2

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3(4) OF THE PUBLIC RECORDS
ACT 1958 August 2010

2nd July.

I saw the D.G., who approved our arrangements with regard to BOURNE going as S.L.O. India, and the taking over by us of I.P.I. as from August 1st. Dominion status becomes effective on August 15th.

I discussed with Harry his C. Division memorandum, with which I agree. I am certain that it would be a mistake to split up C. Division, or in any way to down-grade it. It should remain basically in charge of all preventive security.

As regards his successor, I thought TAR would probably be the best bet; an alternative was HOLLIS, who could ill be spared from B.1.

As regards Jo ARCHER, there is no very obvious successor. PAYNTER is not bad, but hardly has sufficient experience, and COLLARD is too young. Harry thought that possibly Farnival-Jones could act as No.2 to TAR and carry Jo. Archer's job as well. The only difficulty is Cookie, who will have to come under TAR, at any rate for everything except his wartime Port and Travel Control Group.

Dick, with whom I have spoken, is in general agreement. He will, however, have to have someone to replace TAR. The only suitable officer that he can think of is Bill Magan. A possible alternative might be George JENKIN, although it is difficult to bring such a senior officer into an organisation like ours; he would, of course, be a tremendous asset, as he would stimulate production all round the Empire.

3rd July.

Dick White and I saw WAGSTAFFE. We both liked him and thought he would make a very suitable officer. I subsequently saw U'REN: he is an entirely different type and in a way a more forceful character. He has very good references, and I should think would make a good officer. He had quite a lot to do with Intelligence during the war and with the military in Burma(?). They were both subsequently seen by the Appointments Board and it was agreed to take them both on.

16th July.

I learned "on arrival" that Dick had had to leave for the Middle East as Alec Kellar has had to go to hospital. Since Alex is likely to be on the sick list for some months, we felt that Magan would have to go as Head of SIME. Dick has complete powers to arrange what he can with the High Commissioner. Kellar suggested that either Dick or, strangely, Horrocks should take over during his absence. We do not regard either as a solution, since Dick could not be spared and Horrocks would not really be suitable. Clearly I think Kellar does not want to revert to the former position of Magan at SIME, and this is in a way understandable.

In my absence a certain amount of progress has been made with regard to SIME. A full-dress letter has gone to Bridges which deals with the wider aspects of the whole problem. The Foreign Office, who have received a copy, have raised no objection, except to take note. They have also written a memorandum to Bridges which is, on the whole, a fair statement, but at one place does make the erroneous assumption that we agreed to the withdrawal of SIME from Persia and Turkey - in fact, of course, we had no jurisdiction over SIME at that period, and we

did all we could to binge to 35
maintain his post in Turkey. Persia was rather
a different proposition, as objection was
raised to any remnants of C.I.C.I. being left
behind, for higher political reasons.

17th July.

I saw Sir Alexander Grantham, the new Governor
of Hong Kong, with the D.G., and talked to him
out our representation in the colony. I
told him of the various arrangements that had
been reached during my visit. He seemed to
appreciate all our points, and I feel fairly
certain that he will give the D.S.O. full
support. He mentioned the case of Kenneth
BAKER, a Civil Servant, who has been wished
upon him by the Colonial Office. Kenneth
BAKER had already been in trouble in Mauritius.
We told Grantham that BAKER was a member of the
Communist Party and that it must be expected
that if he obtained information which he
considered of interest, he would impart it to
the party at some time or another. Grantham
was very disturbed about this appointment and
he intended to mention the matter to
Creech-Jones. He had been told previously
that BAKER was a friend of Creech-Jones, but
had learned subsequently that this was no longer
the case.

WT came to see me. He did not refer very
much to the past. I discussed his future and
arranged for him an appointment with Dick Ellis.
He then talked to me about BATTERSBY. He
didn't think that BATTERSBY was a suitable
successor, for two reasons. Firstly, the
present Burmese I.G. did not like Force 136, as
he had received no recognition for his services
during the war. Secondly, BATTERSBY would
not be very popular owing to his previous
association with Burmese Communists, who were
operating with Force 136. I said that I thought
the arrangements that we had made would have to
stand or fall on whether Aung San & Co were
prepared to accept BATTERSBY: they had a
reputation for frankness, and I imagine that if

they did not like him they would say so.

BOURNE and I had lunch with Vickery. The latter is being prepared by I.P.I. for his mission to Delhi. We subsequently saw the D.G.; his terms of reference for BOURNE are being worked out by I.P.I. and letters are being written to D.I.B., the High Commissioner and Symon. Meanwhile, I have received a letter from 'George' Jenkin, which I showed to Vickery. Jenkin does not think the moment opportune for an approach to Pakistan until the new Government is established. I will watch for an opening, consult the Governor, and make an approach, if we agree. In order to do this he is prepared to stay on a month or so. He is also prepared to consider an appointment as our liaison officer if he is persona grata with Pakistan. He felt there was some slight doubt about this as during recent months he had been forced to be pretty tough. In spite of this, however, Pakistan were apparently nibbling at a proposal to make him D.I.B. Pakistan. I have sent him a wire saying that we agree to his proposals and that certain advances had already been made. I am following this up with a letter in which I explained that D.I.B. Delhi have asked whether they can pass to Pakistan such records in their files as affect the Pakistan area, and whether we would be prepared to deal with Pakistan on a liaison basis under similar arrangements made with Hindustan. I.P.I. have replied in the affirmative to both these requests.

18th July.

Derbyshire came to tell me about a Polish connection with one MARKOWSKI, which seemed to be developing on satisfactory lines. I talked to him about "SHARKEY" and said that I thought we ought to fade gradually out of the picture, although we ought to see what he had to say since his return from Paris.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3(4) OF THE PUBLIC RECORDS
ACT 1958

August 2010

I saw Howe and spoke to him about Skardon. He was entirely cordial, provided the necessary pension arrangements could be made. He, in fact, thought the idea would be of mutual advantage.

I saw Lennox and Courtenay, N.I.D. Courtenay had apparently put Lennox in touch with a Russian named MECHNIKOFF, who is Naval Air Attache. It did not seem to me that the connection was likely to lead to anything - from what I could gather of MECHNIKOFF's background, it was more likely that he would attempt to buy up Lennox, than that Lennox would ever get an opening for buying up MECHNIKOFF. I told Lennox that I did not mind him doing this, (it was in fact difficult for me to object in the circumstances), provided he let us know what transpired at any of his meetings.

19th July.

Butler came to talk to me about Stephens. He rather thought that we ought to try and get him over here. He felt that while his firm could help in the background, they should not actually represent Stephens as this would prevent him, Butler, from giving evidence. He could arrange for another firm to handle the case. I said that our main difficulty was to get into touch with Stephens, but that I would try and think of a way of doing this.

I went over to the Cabinet Offices, where I saw Murrie and Burgess, the Establishment Officer in the Cabinet Offices. They were worried about the case of Stephen BODDINGTON, who had been taken on by Lemaitre in the economic planning section set up under Bowden. Boddington, who was an under-cover member of the Communist Party and had taken a considerable part in planning the party's economic policy, would have access

to information of considerable importance. We felt that he should be removed. I suggested that the Board of Trade might recall him. We did not wish to discuss the matter with Lemaitre who had, in fact, been responsible for taking BODDINGTON on, knowing that he had been previously connected with the Marx Memorial Library. We would prefer that Murrie should simply say that on information received, the Cabinet did not think that BODDINGTON was suitable for his present employment, and that the Board of Trade wanted him back. BODDINGTON was taken on without waiting for the result of our vetting. He is a close associate of Arthur Ewing, also a Civil Servant employed by the Economic Committee of the Communist Party.

21st July.

I saw the Military Secretary and asked him to extend WINTERBORN's attachment to us until 1949, when he would retire from the Army. Meanwhile we should like him made a local full Colonel in his capacity as H/S I.F.E. We would take over his pay and allowances. The Military Secretary said he would like to refer this matter to his staff, but that he saw no difficulty.

22nd July.

Hunt came to see me, when we discussed the latest developments, namely, the assassination of Aung San and five other Burmese ministers. Hunt was very concerned about the part played by certain British officers in supplying arms to U Saw, who was believed to be at the back of the whole coup. Hunt should be back in Rangoon by Sunday. He had seen Ellis, who wanted to see him again on his return in October.

D.D.G.Meeting (see folder)

Murrie and Drew came to see me about BODDINGTON. I got Hollis down, who gave them the full picture. It seemed to us all that there was a clear case for the dismissal both of BODDINGTON and EWING, in that they as responsible civil servants were actually assisting the Economic Committee of the Communist Party to frame its policy. It was thought that the case would have to go up to Bridges, and possibly to Morrison, and it was agreed that if necessary we would state the full facts to the latter.

23rd July.

I saw the Military Secretary again, when I withdrew my original letter and substituted it with a request that WINTERBORN should remain on the military establishment of SIFE as a G.S.O.2., and be paid by the Army until his retirement in 1949. This was agreed and an undertaking was given to promote him to the local rank of Colonel.

Reggie Gibbs came in to see me about certain security matters affecting atomic research and the provision of a particular kind of coke from Holland, which was being done through Shell Petroleum Co.

Gibbs and half a dozen others had been asked to sign the Official Secrets Act form. Gibbs' point was that no suspicions would have been aroused if this request had not been made; the business could have been quite normally explained. I got down Collard, who said that he would look into the matter: I think he will find Gibbs a useful contact.

24th July.

I sent to see Maxwell about PUTLITZ's naturalisation. He said that he saw no way of getting over the statutory regulation of

40 five years residence. He might, however, be able to stretch a point if the various periods during which PUTLITZ had resided here were not continuous. He could not, however, include the period of his employment by the German Embassy. I said that we would let him know what the sum total of the other periods was. He would then reconsider the case.

25th July.

I attended the Deputies J.I.C. meeting this morning. A 15% cut of Military and Air Attaches was under discussion, with a Treasury representative present. We were only affected in so far as A.M.A. Beirut was concerned. I said that Dick White was in the Middle East and would be considering the case locally. We thought that it would be a great mistake to remove this officer; his services were of considerable value to S.I.M.E. Geoff

Geoffrey Jenkins is back on leave. The leakage case in Egypt has blown up in a big way and someone is to go out from the Foreign Office to look into it.

Dick Butler came to see me about a wire he had received through the War Office from Stephens, asking for legal representation. This presumably means that Stephens is to be court martialled.

26th July.

Cussen and Dick Butler came to discuss the Stephens case with the D.G. It was agreed that an attempt should be made to get Stephens over here, and that failing that Cussen should go out during the next weekend.

28th July.

Dick White returned from the Middle East. It has been decided that Magan shall take over SIME in Kellar's absence. Everybody in the

Middle East regrets Kellar's departure, and there is no doubt that his stock and the stock of the organisation is very high. Bill Wright will take over in Palestine. Kellar is on his way home by sea.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3(4) OF THE PUBLIC RECORDS
ACT 1958 August 2010

Vickery came to talk to me about Krisna MENON, who has been recommended by the Viceroy as High Commissioner for the Indian Government in London. MENON is, of course, closely associated with POLLITT and PALM DUTT: apart from this, he is a base intriguer and an undesirable from every point of view. I said that I thought we ought to oppose his appointment by every possible means. Vickery only heard of this matter by accident, although the India Office had known what was in the wind for a week!

29th July.

Hughes came to see me before leaving for Kuala Lumpur.
Bourne leaves to-day for Delhi.

D.D.G. Meeting (see folder)

30th July.

Vickery and I saw Bowker, who is to be our High Commissioner in Rangoon. I told Bowker about our arrangements and also about the S.I.S. proposals. He seemed quite happy and was quite prepared to have our officer on his staff.

Boothroyd looked in and I put him in touch with Dick Butler. He is prepared to give evidence on Stephens's behalf.

31st July.

I saw Vickery, who suggested that he should write a personal letter to Pillai (?) about Krishna MENON's appointment. This he could do as until to-morrow he is a servant of D.I.B. He proposes to state what he believes to be the full implications of this appointment and its effect upon our future liaison. I spoke to the D.G., who agreed to this course.

We covered a lot of ground at the Appointments Board. As regards Ceylon, U'REN's name is suggested.

A decision was reached to centralise the work of the three A.L.Os in England in London. I pointed out the effect that this might have on Chief Constables - it was more psychological than real, and I emphasised the desirability of putting it across to them in the most palatable way. It had originally been proposed that the Home Office should send out a circular.

It was thought that Furnival-Jones should succeed Jo Archer.

Miss Hardman Jones came to say good-bye.

Kellar returned. He does not look too bad, and I hope he may be fit within three or four months.

1st August.

I discussed with the D.G. the desirability of getting an opinion from Buster Milmo on the proposals of the International Red Cross re civilians in time of war. The D.G. has agreed.

9th September.

FRIPP came to see me. He has just arrived back from Singapore. He thought that, generally speaking, the situation in Malaya showed some improvement, and that with the new constitution things might settle down. The new constitution not only restores a good deal of power to the Sultans, but gives them certain additional powers. Singapore remains outside the Federation and it is the fear of the Malaya that they will be swamped by a Chinese invasion. On the other hand, the Chinese born in Malaya will have Federal citizenship, as will also those who have been long established and domiciled in the Colony.

FRIPP has two jobs in mind. One in Java and the other in Malaya. He will take one or the other unless there is anything more attractive for him in this country. He wondered, for example, whether the J.I.B. had any openings. I said that I would make enquiries, since even if they did not want a rubber expert, they might be very glad to get in touch with him and give him certain assignments if he was situated in Java. Alternatively, he had thought of one of the colonial development schemes, but he doubted whether he would be regarded as young enough for this. He then outlined to me certain greivances about his finances. I asked him to

44.

put this in writing.

6th September.

Vivian rang me up about Jane ARCHER. I said that I had not been able to see the D.G. as he would only be returning on Tuesday, but that I would speak to him and then let Jane ARCHER know what she was to do.

8th September.

A telegram has come in from Bourne, drawing our attention to the publication in the Pakistan Times of September 4th of a facsimile of a letter, dated July 8th, written by "George" Jenkin to myself on the subject of our liaison with Pakistan. This had been written up in a leader, implying that there was some spy plot of the British to sabotage the Pakistan Government. This was followed by a telegram from Singapore, saying that a similar copy of the letter had been published there. There is in fact only one paragraph of the letter which might be capable of sinister construction, but my letter - to which Jenkin's published letter is a reply - completely dispels this idea. It would be neither possible nor desirable to publish my letter, which can only draw further attention to things and which also deals with other matters, publicity for which would be undesirable. I telegraphed to Bourne, telling him that I shall be sending him a copy of my letter, and suggesting that it was for consideration whether it should not be shown both to Sanjevi and to Ahmed. I have also suggested that someone, other than Bourne, might think it advisable to get in touch with Jenkin, who is at present at the Cecil Hotel, Simlapur; he would obviously be the best person to advise as to how the matter should best be handled. Lastly, I have arranged through Hill and McCulloch that if any paper asks whether they can publish the letter here their attention

should be drawn to D. Notice No. 1, and that we should be informed. Bamford has spoken to the C.R.O., who feel that the really important point is to put ourselves right with the Pakistan Government. On this I think we are all agreed. It is difficult to see how the letter leaked, unless it was photographed before Jenkin put it into the envelope, or subsequently opened before it got into the India Office bag. It was addressed to me at Box 500 and sealed in three places. It was apparently sent by the India Office to Parliament Street Branch Office, who passed it to S.W.D.O., who sent it up here with the Box 500 mail. There is little likelihood of it having gone wrong after arrival in this country. The envelope is being examined by our laboratory.

9th September.

The D.G. and Patterson returned from East Africa, where they attended a special conference of the East African Police, under the auspices of the Governors' Conference. As a result, I think the Police Forces will do more to build up their Special Branches. The D.S.O. is to receive copies of all their reports. He is to have another officer and two more female staff.

THIS IS A COPY
ORIGINAL OFFICE RETAINED
IN DEPARTMENT UNDER SECTION
3(4) OF THE PUBLIC RECORDS
ACT 1958 AUGUST 2010

I also showed him and Newsam a file on HINDMARSH, who used to look after the welfare of internees in the Isle of Man and at the Beltane Schools. HINDMARSH has become a director of a company formed by Leopold HIRSCH, the Abwehr agent, whom the Home Office have been trying to get rid of for months and years. HIRSCH is resorting to every form of legal action to prevent his deportation.

At my meeting to-day we discussed the question of making white cards for those concerned with

atomic energy research establishments. Potter announced that he made about 3,500 cards, but that he had over 7,000 named uncared. The purpose of these white cards is to draw our attention to any individual in atomic research concerning whom there may be adverse information subsequent to his vetting for original employment. This would be to some extent covered if the police would undertake to ascertain the whereabouts of any member of the Communist Party who came to our notice. This is, however, a commitment which at the moment the Metropolitan Police are unable to accept. I said that we should make an attempt to reduce the numbers and confine our carding to actual scientific workers and their secretarial staff. This could doubtless be done in consultation with C.2. and the Ministry of Supply. It does, however, raise the issue as to whether workers in atomic research are any more important than workers in bacteriological warfare or other forms of armament....I suggested to Hinchley-Cooles that he might consider the possibility of arranging another party with the Immigration Officers, several of whom had expressed their appreciation of their former visit. Harry Allen explained that certain of them were being enrolled in the Port & Travel Control Group, which is now a unit of the Territorial Army, and this would create a useful bond. It might provide an occasion for further talks with the Immigration Officers.

The D.G. saw the P.M. at the latter's request. After beating about the bush, by asking questions about the Fascists, he came to the real point. He had apparently been spending a holiday in Wales in the house of one GOUGH. GOUGH had written out a long memorandum of complaints about M.I.5. This is the GOUGH of the famous GOUGH case, which caused us such a lot of trouble during the war in the Caribbean Area. It all started by precipitate American action. Subsequently GOUGH had been seen on several occasions by Hinchley-Cooke, when it

became clear that he was suffering from persecution mania. This has been confirmed by GOUGH's doctor, who actually came up at his own request to see Hinchley-Cooke. Little Clem is being informed!

H. W. B. Borden

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3(4) OF THE PUBLIC RECORDS
ACT 1958 August 2010

10th September.

At the J.I.C. to-day, the J.I.C.(FE) was discussed. D.M.I. thought that it was desirable to do two things. Firstly, to establish that J.I.C.(FE) was responsible to the Commanders-in-

Chief and the Defence Committee. Secondly, the J.I.C. (FE) should be reconstituted on the pattern of London. It clearly had grown too much and was attended by people who were not indoctrinated. Hayter explained that it was now proposed that the Special Commissioner's office and that of the Governor General should be merged. Killearn would disappear and Malcom MacDonald would have responsibility not only for countries in the SIFE area, but also for foreign countries affecting that area, such as N.E.I., Indo-China, Siam, etc. He would be assisted by a high-ranking Foreign Office official, and his office would provide the Chairman for the J.I.C. The other members would be the three Services, J.I.C., ourselves, and S.I.S., if they wished to attend.

D.H.I. mentioned a complaint that he had had from his Commander-in-Chief that when AUNG SAN was murdered, he could get no appreciation of the situation in Burma from the J.I.C. I said that I could not understand this as we here had received a number of telegrams from our representative in Rangoon, which had been repeated to Singapore.

Off the record, Hayter told us that the Chiefs of Staff had instructed Bevin to go all out for Cyrenaica, which if we got it would be our Middle Eastern base. It seems to me that Bevin will have a difficult job, since the moment he asks for Cyrenaica, the Russians will ask for Tripoli. If they do not, they will certainly object to our going to Cyrenaica.

Dick gave us an account of his last B. Mtg.

when Potter was severely attacked. He had come to the meeting to get concessions from B. Division, owing to his staff crisis. He handled the position somewhat tactlessly, suggesting that his troubles were to a considerable extent due to the stupid nature of the enquiries made by the sections. The examples he mentioned were of a trivial kind. He was rash enough at one moment to appeal to Miss Weldsmith by her christian name. She replied somewhat stiffly: "Well Mr. Potter, if you really want to know what I feel I will tell you. We have all received a notice asking us to recruit our friends. Personally I should not dream of suggesting to any of my friends that they should come into the Registry in its present state, since it offers no scope to anyone of any intelligence". This was the signal for a general onslaught. I told the D.G. that in my view the trouble was fundamental and had existed for many years. I explained to him how the Registry had been run before the war and how its failure at the outbreak of war had been attributed to the system rather than to the lack of staff. However, for better or worse, the system had been changed and a staff of some 350 women had been employed in the process. While broadly it had appeared to have served us well during the war, while we were carrying such heavy vetting commitments, I had always had doubts about it from the Intelligence point of view: the crucial point lay in L.U.s. If you had an index with indefinite information and you were effecting a L.U. on indefinite information, it was necessary to have something to bridge the gap - this could only be done by an intimate knowledge of the subject. According to the present system it was impossible for members of the Registry to acquire such knowledge, since they were all working, so to speak, on a conveyor belt. We preferred a system where the girl went to the index to solve an Intelligence problem, with the maximum amount of information which she could acquire. It was only this way

that good Intelligence results could be obtained. I thought, therefore, that some compromise in the present system was necessary. I told the D.G. that a small committee of B. Division had gone into this question pretty thoroughly, and that the file was now ready for his consideration, with the criticisms of Horrocks and Potter. It seemed, however, that it would be impossible to deal with the question until the D.G. returned from America.

11th September.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010.

At the Appointments Board we saw Keene, [redacted] We decided we could not give Keene immediate employment; that we would give [redacted] six months run, and that we would take on [redacted]

12th September.

I saw [redacted], who is looking for a job. I suppose there is nothing that we can offer him. I am, however, trying to see if S.I.S. would care to employ him [redacted], of which he has considerable knowledge.

Dick and I saw the D.G. Bridges has agreed about compensation to PADGHAM, but feels that P. should give us an outline of what he intends to do and how the money will be spent. P. wants to go to America after getting British naturalisation.

~~Extends the opportunity of discussing the matter~~

I saw Dick and Bamford on the subject of Jenkin's letter to me published in the Pakistan Times. It was decided that I should send a copy of my letter to Bourne, in spite of his telegram saying that this was no longer necessary. The letter should be shown by Bourne to Sanjevi and to our own High Commissioner, and a copy of it should be sent to the High Commissioner to Pakistan to show to Ahmed and, if he thought fit, to Liaqat Ali, who had sent for the editor of the Pakistan Times. The editor was told that Liaqat Ali knew all about the proposals foreshadowed in the letter and that he must pipe down. Bamford says the editor is very strongly Left wing, if not Communist: he is obviously trying to make mischief. Meanwhile we are no nearer to discovering how the leakage actually took place. We really require Jenkin's end of the story.

15th September.

I had lunch with David Boyle, after which I went over his establishment, which struck me as being very efficiently run and probably as water-tight as he can make it. I asked whether the Foreign Office and other Departments profited by the highly expert knowledge of his staff. It seemed that, with one exception,

no tests were ever carried out.

I suggested that we might test our mails, beginning with SIME and SIFE. Boyle said that he would be quite ready to carry out this work on our behalf. His department would like to have our letter before it is despatched, and the envelope subsequently returned to them unopened.

16th September.

I discussed the arms traffic at my meeting today. On the home front it seems that the machinery for this is satisfactory, except that we have no informant and no H.O.W.s. Our examination of export licences was not. there-

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
12 OF THE PUBLIC RECORDS
ACT 1958

Aug 2010

52
fore likely to be particularly productive. Neither were we in a position to pass on this important by-product of Intelligence to the Services. On the foreign front I thought it was necessary to get our D.S.Os to take stock of the position locally and let us know what dumps they had, what pilfering was going on, and how far those responsible were carrying out their duties in regard to checking export licences and guarding dumps. We could then consider taking the matter up with the J.I.C. They have decided to abandon the white card system, except for the Intelligence Services. L.S.I.C. and a very small nucleus in Atomic research.

17th September.

The D.G. left to-day for Canada and the U.S.A.

At the J.I.C. to-day we discussed Hawtrey's memorandum, which approaches the Russian problem by drawing a comparison between our attitude to "Mein Kampf" and our present attitude towards "the speeches past and present of Lenin and Stalin". In "Mein Kampf", Hitler told us exactly what he was going to do, and did it. Nobody paid much attention until the war started. Lenin and Stalin made the position equally clear, but there is a tendency to disregard their warnings. There is certainly something in this approach, but the memorandum is badly written and is, I think, more adequately covered by a note already issued by the J.I.C. to the Chiefs of Staff which Bevin, for some reason, does not wish to be shown to the Cabinet Ministers. It was decided that a note by the J.I.S. on the basis of Hawtrey's thesis should go forward to the Chiefs of Staff and that a renewed request should be made to issue the J.I.C.'s note to the Defence Committee. Kenneth Strong told me that last Thursday he had lunch with an important journalist of the Kemsley group, who had told him that he had

read an important scoop that his paper had intended to publish the following Sunday which related to the cutting down of armaments, and in his opinion must have leaked from a high-ranking Naval officer. This is interesting since it narrows the leakage down to a period of about twenty-four hours. The document was only issued on Wednesday. There is a fright-

ful row going on and the P.M. has ordered enquiries to be conducted in all departments concerned. We have been drawn in.

I told the meeting that, according to a telegram we had received from Singapore, the J.I.C. (J.I.C.) had refused to express views on the Chinese situation after the assassination of

Aung San, as they were not in possession of any of the Governor's telegrams from Rangoon. I explained that all our telegrams were repeated to Singapore and were in the possession of the J.I.C. Furthermore, the S.O.I. had drafted his telegram to the D.N.I. on the basis of our information. The matter is to be discussed at the next meeting, the general opinion being that the Governor of Burma's telegrams should have been repeated to Singapore.

D.M.I. was gloomy about the situation in Greece where the Communists seem to have made considerable headway.

D.N.I. stated that a Yugo-Slav renegade had given evidence to the effect that the mines in the Adriatic, which some months ago led to damage to our destroyers, were in fact laid by the Yugo-Slavs immediately prior to the incident. This man may be used as a witness for the International Court.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

524

I saw Hill about the leakage case. Boddington is sitting in on enquiries in the Admiralty. Meanwhile, Eric Speed has asked me whether we can give them an officer to assist in the War Office. I explained to him that I thought the focal point was in the Admiralty and that as soon as we had finished there we should be very pleased to give him the services of the same officer. This I thought would be advantageous. Speed said that unfortunately he had been instructed to get on with the job. I then suggested that he might place his officer in touch with Hill, so that they could discuss the general lines on which the enquiry should be conducted. If necessary Hill would sit in on the more important interrogations, but I was anxious to avoid this if possible as he could ill be spared.

18th September.

Fripp came to see me. I told him that Kenneth Strong was unable to give him any employment in J.I.B., but that if he were going to Malaya or Java he would be glad to establish local contact, since rubber was a subject in which his department was interested.

Viv rang me up to ask me whether I had seen Jenkin's letter in the Pakistan Times, to which the answer is "I'll say"!!

19th September.

Max Knight tells me that he has a rather promising case. His agent, M.24, looks like getting an espionage mission - probably abroad.

Harry Allen, who attended the Deputies meeting of the J.I.C., tells me that Bevin has asked for a note from the Chiefs of Staff on the strategical implications of an immediate

withdrawal from Palestine. The note has to be prepared by six o'clock this evening: it is mainly military in its implications, but TAR is attending a meeting at 5 p.m. in case any question arises of the internal implications. I said that in such a case the proper authority would be the Colonial Office in conjunction with ourselves. I gather that Creech Jones is not altogether in favour of such a course and prefers some via media. If the Government decide in favour of a withdrawal, which I gather would be temporarily to Cyrenaica, we should have to consider the position of our D.S.O., which would depend on the kind of official representation that would remain in Palestine. We might, I think, be able to stay in liaison with the Agency. In any case, however, we should have to open a post of SIME in Cyrenaica.

Hill tells me that he has seen the D.G.'s friend, Dixon, who is on the staff of Kemsley Press. Dixon offered to go straight to Kemsley on the question of the leakage. He thought that Kemsley would give him the answer. Hill, I think rightly, dissuaded him, since it would clearly be difficult for us without letting Dixon down to pass the information on to the Navy. Hill did say, however, that if Dixon got any line from other sources in his office and cared to pass the name on confidentially to us, we might be able to extract a confession in the course of our interrogations.

20th September.

TAR and Jenkins came to see me, when we discussed the question of traffic in arms in the Middle East. Jenkins had evidently had a good deal of experience in this. He had brought the matter to the notice of the G.O.C. on several occasions; the latter had been sceptical, and Jenkins replied that if the G.O.C. would give him a grant of £50 he would

56

show him what he could buy in the vicinity of Cairo. He was taken up on this and the money was given. Jenkins succeeded in purchasing several machine guns, several boxes of brand new hand grenades, and more than a dozen rifles. The G.O.C. was duly impressed, but nothing very much appears to have been done. There is no doubt that pilfering on an extensive scale has been going on for years, and that arms are really a kind of currency. Almost every Arab has got some secreted under the floor boards or in a hole in the ground. Whatever we do, therefore, will be to some extent in the nature of bolting the stable door after the horse has gone. At the same time we all agreed that it would be a good thing to take stock of the position and to make recommendations for the final liquidation of these dumps, or for the establishment of proper guards.

22nd September.

Jo Archer came to say good-bye. He will be a great loss to us in every way.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

23rd September.

General Wright, who is the new Deputy Director of C.I.A. (formerly C.I.G.) in the U.S.A., came to see me with I talked to him about the general principles of our organisation and said that I was very satisfied with the co-operation between C.I.A. and ourselves and that I was strongly in favour of such co-operation on the ground that

our various stations abroad. I explained that in advocating this we differed somewhat from M.I.6. in that our offices abroad were more or less open and on British territory. General Wright seemed to be in agreement. We have already had explained to us his new organisation, which is not really worth describing, since in practice I have no doubt that it will be subject to all kinds of alteration. There is a great deal of "dissemination, evaluation, and co-ordination", but of course the thing that really matters is whether they have anything which is worth while disseminating, evaluating, or co-ordinating! It is on the production side that they are weak. Their organisation, however, has the approval of Congress and the money behind it. In the course of time, therefore, they may produce something of value. At the moment probably the most useful service they perform is extensive monitoring of foreign broadcasts.: if this work is done intelligently a large amount of useful information can be obtained. The Americans have an advantage here in equipment and resources.

I went to see Sir Alan Cunningham, the High Commissioner for Palestine, and showed him a certain amount of BULLDOG materiel, which he found interesting. He told me that he was going to see the Doctor to-morrow and that if there were any interesting reactions he would be glad if I would let him know before he left Monday. I asked him about Wright. He said that while he was of course sorry that it had been necessary to withdraw Bill Magan, Wright seemed to be doing well. He told me that the Government decision, on which McNeal's statement at U.N.O. would be based, was an extremely cautious one. As far as I can understand we are to sit on the fence, say that neither the majority report nor the minority report were wholly acceptable and that unless something could be thrashed out which would meet with the approval of the majority of Jews and Arabs, we did not intend to continue holding the baby-at

any rate by ourselves.

I told the High Commissioner about the Bella group, which interested him quite a lot. He said that^{it} provided a justification for his action against the Revisionists, a number of whom were still held in prison in Palestine. We then talked a little about the days when Cunningham was G.O.C. in Northern Ireland. He told me that on one occasion he was asked to inspect Eire defences, which he did in full uniform, with McKenna, the Chief of the General Staff. He often inspected defences in civilian clothes. He also told me that some time in '41, McKenna had approached Dev and asked him what his action should be if the Germans landed in Ireland and our forces in the North, as he fully expected, marched down into the South. Dev's reply was "If you get into a fight and a friend of yours comes to your assistance, you do not catch him by the throat". The High Commissioner was extremely friendly and begged me to come and stay with him if I had occasion to go out to Palestine again.

24th September.

Wild, of L.C.S., came in. I talked to him about a proposal to abolish the ICIC, which is the successor of the XX Committee. I said that I thought this might be a pity because once you abolish a piece of machinery it is always difficult to set it up again. In time of it had a particularly useful function, in getting traffic approved. It was also of great value as a Forum for discussion: even in peace time I thought that Discussion on that level might have been valuable. There was no necessity for the Committee to meet regularly, but it might be a good thing to have it in existence so that it can be called if necessary.

At the J.I.C. to-day we discussed the failure of the J.I.C. (FE) to supply information about the situation in Burma after the murder of Aung San.

We had pointed out that J.I.C. (FE) did not receive copies of the Governor of Burma's telegrams. It was agreed that the matter should be taken up with the Burma Office. General Wright and [] visited the Committee. General Wright gave an outline of his organisation and was then questioned about the passing of Intelligence reports. He did not wish to interfere in any way with the existing arrangements, by which Service departments passed reports to their opposite numbers. He did, however, point out that if his representative here could have a copy of these reports they might reach him more speedily than they do at present. He said that, as we doubtless knew, in an American organisation 500 people were employed to do what 50 people would do over here. On this account reports often got stuck in departments. D.M.I. and D.N.I. both said that if their opposite numbers were in agreement, they had no objection to passing a copy of their reports direct to C.I.A., either here or in Washington. As regards J.I.C. reports, the question was left open. The normal channel is through J.I.C. Washington. General Wright seemed to think there might be some advantage if the reports were passed through his representative here, as they intended to appoint a high-ranking officer to be in charge and it might be of great value to him to see the report before it went to Washington. My own view is that it would be better to continue to send the reports through the J.I.C. Washington, so that the Services representative there would have the entree to C.I.A., but to give an initial copy to the C.I.A. representative in London. Air Marshal Evill attended the meeting, as he is at present submitting a report on overlapping in Intelligence, exclusive of S.I.S. and ourselves.

I lunched with Mungo Buxton, who is now Secretary to the J.S.T.I.C.

25th September.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

61

26th September.

General Hollis telephoned to say that he was going to America on the Queen Mary on October 4th. He did not want any publicity. He would be glad of anything that we could do at this end. As regards the American end, he had made all the necessary arrangements. I said that we would arrange to give him advice. I asked Malcom Cumming to go over and see his Staff Officer, Major Stapleton. Cumming discovered that the General had a passport in the name of "Mr. Hollis", but the photograph was of the General in uniform with all his medals, tabs, etc. What was worse, the Ministry of Defence had applied for his passage in the name of Lieutenant-General Hollis, etc., etc., and presumably he is so recorded on the ship's list which will be available to the Press - a copy of this list will doubtless be handed to the American press in New York. Malcom told them that if he really wished to conceal his identity, the only thing to do was to cancel the passage and to go via Canada. He left them to think things over.

I saw Sir Alexander Maxwell to-day. He has authorised the return of NAGY to this country, should he get into difficulties. He would be landed conditionally as a matter of form, but, provided his behaviour was satisfactory, he would be allowed to remain here indefinitely. Maxwell thought that what was necessary at this stage was for me to record his acquiescence and if by any chance he were away during an emergency, to notify whoever might be concerned that he had agreed to NAGY being landed on these terms.

27th September.

Operation GOULASH has been a complete success, not only have we got the book, but the instructions for its use and a special code used for prominent personalities. The

informant was much impressed by the rapidity with which the work was done.

Dick White and Hollis came to see me. They want to reorganise the research section, B.I.C., and enlarge it to cover a good deal of the work being done by the B.2. sections. They feel that ~~_____~~ good as he is at his job on the Intelligence side, would not be able to tackle the organisation. Moreover, there would be a difficulty in placing ~~certain~~ people him; unfortunately he has almost inhuman characteristics in dealing with his staff. It is suggested, therefore that M.E. be placed in charge. I am afraid this will be rather a blow to ~~_____~~ but it is I think unavoidable.

a

Gleadell rang me up about ~~leakage~~, and the gist of the Cabinet's statement to U.N.O. on Palestine, which had taken place in ~~Egypt~~. The Cabinet decision was revealed several days in advance by the Bourse Egyptien.

29th September.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

THE ORIGINAL DOCUMENT
RETAINED IN DEPARTMENT
UNDER SECTION 8(4) OF
THE PUBLIC RECORDS
ACT 1958. Aug 2010

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010.

30th September.

Stopford came to see me. He told me that his firm, of which he was either Chairman or Director, was concerned with the manufacture of X-Ray machines, for which there was a considerable export market. The only difficulty was in obtaining the screens which were made of a mixture of lead oxide and glass. Pilkingtons normally manufacture this and could make in three weeks sufficient to carry the industry for a year. For this purpose they require 1500 tons of coal to start up their kilns: this they were unable to obtain: lead oxide, therefore, is sent by aeroplane to the U.S.A. whence after it has

65

been processed it comes back here and is paid for in dollars at a high rate. The point, however, of his visit was to tell me that his firm were selling these machines to the Soviet Government and for this purpose were in contact with the representative of the Trade Delegation of the Soviet. To carry out their work, the firm were in close touch with the Research Establishment at Woolwich, which was also engaged on the application of X-Ray to atomic research. If he dropped a hint to the Russians about this connection with the Woolwich research place, they might become interested and a line for deception on atomic research might thereby be established. I told him that there was no point in patting the ground for an espionage case against the Soviet officials, since it was common form for all Soviet officials to collect any information they could, and we were consequently only interested in those who were on their own initiative actually engaged in some form of espionage. We did, however, like to know as much as possible about Soviet officials, particular those who were potential defectors. There might also be something in his idea about a line for deception, and I would let him know about this in due course. He then told me about a friend of his who was in touch with a representative of the Swiss Legation. His friend was confidential chemical adviser to the firm of

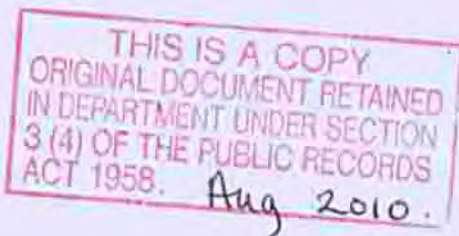
one of the biggest chemical firms on the Continent. He had lent money to the Swiss attache, from which he had an I.O.U. It had not been repaid, but they had come to an arrangement, by which the Swiss attache passed him any file from the Legation which might be of value to him in his business. Stopford said that if there was anything particular that we wanted from the Swiss Legation, he could probably get it through this channel.

ORIGINAL DOCUMENT REMAINED
IN THE PROSECUTIONS SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

Jenkins came to see me about an agent of his with whose services Magan wished to dispense, owing to information that he had received from Carstairs that the man had formerly been in Russian pay. All this was known to Jenkins, who is running a man as a double-cross in conjunction with the Egyptian Police, who pay 60% of his salary and actually handle the individual. A good deal of information has been obtained from this man, which has been of value, even though he may be a scoundrel. To drop him now would seriously embarrass Jenkins vis-a-vis the Egyptian Police. A telegram has been sent to Magan, urging that nothing should be done until Jenkin's return.

Geoffrey Wethered came to see me. I asked him how he was getting on and what he thought of Foreign Office security. He said that he was enjoying his job and that the Foreign Office security did not look quite so bad as it might appear to this department. There were many difficulties and many serious deficiencies, but he thought it was improving and that if they could finally get through their establishment it would improve still more. I explained to him exactly what our interests were. Firstly, we liked to see F.O. security on a sound footing as otherwise it could make nonsense of our work here. Secondly, it was important to us to know immediately if they had reason to think that a leakage had taken place in any part of the world.... This for the reason that we were investigating Cabinet leakages and the answers might lie in something that had gone wrong in the Foreign Office. Thirdly, that we did not wish to interfere in the Foreign Office domestic security, beyond the point that if there were no reasonable explanation of the loss of a document, the case became one for this department. As in the case of Service Depts., we expected the F.O. to make quite certain that before they call us in everybody's cupboards have been turned out, but that this ground should

be cleared at the earliest possible opportunity, since in investigating a case of espionage it was often important to get going while the ground was fresh. He perfectly understood these points, which he thought were entirely reasonable.



Horrocks returned from leave. I told him about the case of SHIELDS and asked him to proceed on the lines agreed.

1st October.

Hinchley has been concerning himself with straightening out the affairs of General Hollis. We have, I think, made the best arrangements that we can in the circumstances, although it seems to me that he will be lucky if he is not met with a battery of cameras on the quay in New York.

Wilde came to see me. He had been in touch - directly or indirectly - with Ellis, the No.2. on the Coal Board to Hyndley. He had come to the conclusion that Horner was playing a very tricky double game, and that it was his intention, in spite of his remarks in the "Daily Worker" about Grimethorpe, to bring the whole industry down in ruins. I told Wilde that this did not altogether coincide with our views. We thought that Horner's action in the Grimethorpe strike was based on the following considerations:

- 1) It was in the interests of the Communist Party to get the Government over the crisis, otherwise there might be a Conservative Government in power. This would not suit the Communists, who were on the whole fairly well placed. It would be better for them to have a Labour Government and push it more and more towards the left until they obtained power by constitutional means.
- 2) The Grimethorpe issue was not a good one. The case was weak and the Communist Party would not gain credit with the public as a whole if they were to aggravate the hardships of the householder.
- 3) The Communist Party did not wish to do anything which would encourage a heresy hunt by the T.U.C. / I told Wilde to see Hollis, and if Hollis thought fit, to arrange for him to see Ellis and to discover exactly the basis of his fears. Ellis apparently has not discussed this matter with Hyndley, but I gather from other sources that Hyndley is of the same opinion.

At the J.I.C. to-day Sir Douglas Evill's paper was discussed, first in committee and afterwards with Evill himself. The Cttee. were unanimous in recommending that M.I.5. and M.I.6. should continue to be members. They advanced two reasons; firstly, that apart from the discussion of matters which were directly their concern, they could by reason of their long experience in intelligence matters, give a certain continuity to the Committee's work; secondly, it was clearly of value to M.I.5. and M.I.6. to know what was in the wind. It was pointed out that the minutes of the J.I.C. meetings were of necessity cut down, but that there was a great deal of discussion, both on the Agenda and off the Agenda, which everyone felt to be of value. The Committee felt that it would be difficult to divide itself into M.I.C. (Operations) and J.I.C. (Organisation) on the lines suggested by Evill, but that they might arrange to give more time to the discussion of final drafts by the J.I.S., and that they might perhaps have an extra sub-Committee to deal with organisational matters. D.M.I. was keen about this. He said that under present arrangements, Hirsch, who was really concerned with intelligence matters, should not have to handle organisational matters, which were within the province of Page. General Strong thought that another sub-cttee. might quite well be formed, but that it should be organised on a subject basis and not on the basis of rank like the Deputies meeting of the J.I.C. He thought that Heads of Depts. might on occasion wish to be present themselves at meetings of the organisational sub-cttee. It was generally agreed that Evill's new charter, giving the J.I.C. slightly wider powers, was acceptable. The Cttee. felt that there was advantage in the present Chairman remaining a member of the F.O., on the grounds that it was important that the Chairman should have a definite responsibility, with

Ministerial backing. This was preferable to the F.O. merely putting forward its departmental view and so having a smaller stake in the organisation as a whole. Evill did not dissent from this view, provided the Foreign Secretary was in agreement. If, on the other hand, he felt that the various matters of defence discussed by the J.I.C. were now a matter for the Ministry of Defence, a Ministry of Defence Chairman would be the best alternative. The Cttee. did not dissent from the view that the Chairman should be given a certain locus standi in the matter of intelligence organisation as a whole. In fact this was welcome by the three Ds. of I. Germany was cited as an example where the Chairman could usefully intervene. Although he did not say so at the time, General Strong was of the opinion that while it was a good thing that the Chairman should draw attention to gaps or overlapping in intelligence, his powers should not go beyond recommending that those responsible should take the necessary action to improve their machine. He felt, for example, that it would be wrong to send out a F.O. Chairman to Germany to make recommendations about the improvement of their organisation; he would not have the necessary knowledge to carry out the task. I think the idea at the back of Evill's mind in suggesting that wider powers be invested in the Chairman was that the task which he himself was undertaking would be better handled by the Chairman of the J.I.C., who had a more intimate knowledge of intelligence matters and could keep them under permanent review instead of waiting until a case arose. I think myself that General Strong is right, and that, although it might not apply in the case of the present Chairman, it would be dangerous to give too much power to the Chairman in the matter of telling other departments in the intelligence field how they should run their affairs. Hayter himself felt extremely diffident about giving them any advice on matters of this kind.

Mann came to see me. He regrets the departure

of the other A.L.O.s. I told him that his job would increase in importance, since he would now be the only 'sounding board'. I should be glad, therefore, if he would let me know of anything that came to his notice which indicated that C.C.s were not getting the service they felt they were entitled to. He said that the only complaint he had had was that certain of the communications from Glasgow were not being acknowledged. I told him that on my return from leave I had heard that the practice of acknowledging letters had been dropped, but that it had been reinstituted on the D.G.'s instructions. I should, however, be glad to know of any case where a C.C. has not received an acknowledgement.

Dick, Gwyer, Cecil and I had a meeting to discuss Gwyer's memorandum on Ireland. We thought that although this should be given to C.R.O. (Stephenson), it should not be passed on to Maffey. We thought that it might usefully go to the Chiefs of Staff, and that we should make arrangements by which we were informed if any matters affecting the future of Ireland came up for discussion in the Defence Committee or the Cabinet. If they did, it was important that our document should be available, since it would show the very grave risks involved and the opportunities which existed for damage to this country, of which the Germans, by a stroke of good luck, had not taken advantage. We agreed to reconsider the memorandum in detail and to discuss it further.

2nd October.

Dick Butler came to see me about Stephens. He has made contact with the Secretary of the Army Council who is horrified at Stephens'

72
detention since April. He said that he would give orders for him to be sent over here at once if the defence required his presence. Butler said he would not press for this until a summary of the evidence had been taken. He agreed that he would be allowed to come over immediately afterwards. Meanwhile Cussen was going out at the weekend. Butler has also ascertained that in cases of this kind a grant is often made on application to the J.A.G. This supports the view that we are thoroughly within our rights in giving assistance. I told Butler that I saw no particular object in discussing the matter with the D.M.I. unless he happened to raise it in conversation. There was nothing really that the DMI could do.

Jack Morton came in. I had a discussion with him and Dick. We came to the conclusion that we should attempt to give him F.O. cover since his position with the Air Force virtually made work impossible. The difficulty was to find accommodation for him within the Embassy Compound. He thought it possible there might be some reduction of staff. We propose to discuss the matter first with SIS and then approach Haytor. Prior to that we did not propose to say anything to the ACSI.

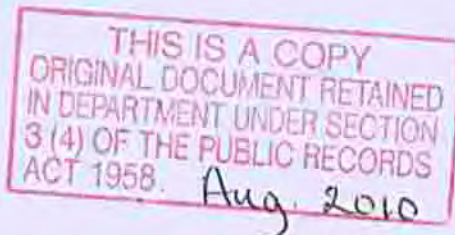
3rd October

I attended the JIC Deputy's meeting. Nothing of any great interest was discussed.

I saw a Mr. Powell on Burt's recommendation. Powell, who was at one time in the CID and later for some years in SB, retired from the police force sometime ago as he came into

a good deal of money. He was travelling in N. Africa with a friend when it was suggested to him that the Syrian police wanted the services of a British police officer to reorganise their force. He saw the Minister of the Interior, and subsequently made contact with the Legation in London to whom he gave his credentials. The job is virtually his for the asking and it only remains for him to fix up a contract. We encouraged him to take the job on and said that if he did so we should like to establish contact between him and our officer in Beyreuth. He is going to keep us informed of developments.

7th October.



I have had a message from Jenkin via Symon and the SLO in which he says that he will be returning from Bombay on 16th October by the Strathmore if he can make it. He sees no useful purpose in staying on in India at the moment. He has had no contact with Ahmed

Alec Kellar came in today. We persuaded him to stay away until 1st November until the reorganisation of B. Division was complete. This could not be finally ratified until the DG returned on 25th October.

PS. NEWELL

Boddington and a representative of the Admiralty formerly headmaster of Gresham School, Hold, who is now an official at the Admiralty, came to discuss their investigations of the leakage case on the cutting down of the services. The story is long and complicated, but they are fairly satisfied that the leakage did not come from the Admiralty. According to the assistant editor of the Sunday Times with whom they have been in touch, information was received from a variety of sources. This led the Sunday Times to seek confirmation from some highly placed official or Minister. The person they saw waved a document saying "it is all in this". Having this confirmation of their previous built up the Sunday Times went ahead with publication. There is apparently no reason to think the person who wrote the article, who was, in fact, the assistant editor, Haywood, himself, had ever seen the document. This article confined itself to the navy as his paper thought reductions in naval forces would be more likely to be heeded by the public. The Admiralty are going to wind up their enquiry in the course of the next few days. In the meanwhile a heresy hunt has started in the Ministry of Defence.

8th October

At the JIC today we discussed at some length the report which the Air Ministry want to put in to the Chiefs of Staff drawing attention to the authoritative pronouncements by Lenin and Stalin on their long-term projectives. It is argued that Hitler wrote Mein Kampf which he tried to carry out to the letter, but nobody paid any attention and that it might therefore be as well to give due

weight to the words of Lenin and Stalin. This paper presents considerable difficulties since, by implication, it presents a more alarmist picture than the careful assessment of Russian intentions which has recently been submitted to the Chiefs of Staff. In their heart of hearts I do not think any of the members of the JIC like the Air Ministry paper. ACSI is pressing it because he is being pressed by the CAS. It was ultimately decided to redraft the paper showing to some extent how far speeches by Lenin and Stalin have already been put into practice. It was also decided to ask the JIS to examine previous reports and consider whether the JIC should not revise its view about the possibilities of war with Russia within the next 5-10 years. Previous reports based on economic, technical, scientific and military information tend to ride off the possibility of war for the next 5-10 years. More recently there have been indications that Russia may have made more progress in atomic research than we are inclined to think. Personally, I believe that we are too much inclined to think in terms of a direct act of aggression. Things are much more likely to happen by subversive means when it will be made to appear that Russian domination of any particular country has been brought about through the will of the people. The issue will be clouded and the machinery of U.N.O. will be brought into action. There will be long discussions and any action will be vetoed. It is only when this has happened three or four times that the limit will be reached and the Russian bluff will be called. The danger is that the Russians will miscalculate on the extent to which they are going to be allowed to get away with it.

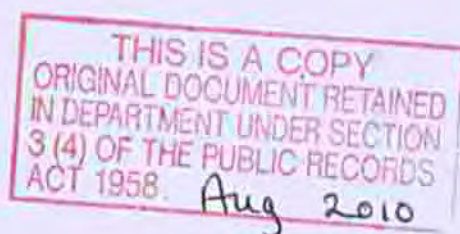
The DMI said that he had been seeing General Savoury, late Adjutant General of our forces in India, who had just returned to this

76
country. He thought if anybody was speculating about a Sikhistan they should take it that a movement for a Sikhistan of a very positive kind was already in being. The Sikhs are already concentrating their forces and have been marching out of certain areas in formation with advance guards, rear guards and flank guards. They have rifles, sten guns and bren guns and, I believe, a few mortars. He thinks they will move eastwards in the direction of Delhi, reform and then launch an attack to recover what they consider to be their area (he did not state exactly what this area was, but I imagine it would be centred on Amritsar). Nehru is considered to be too weak to deal with the Sikhs and Savoury would not be surprised to see him supplanted by Sadar Patel. The Pakistan forces have come to the conclusion that they are not strong enough to defend both their northwestern and eastern frontiers. They have decided to concentrate on the eastern frontier and keep the tribes at bay by giving them subsidies. Ismay, who is over here at the moment, is being asked to visit the JIC next week. I gather that he is extremely gloomy about the state of affairs in India.

Horrocks came to see me on various staff matters. He said that there had been some suggestion that U'ren should go to the Far East instead of to Ceylon as it was thought that he might be a suitable successor to Bourne when the latter's term comes to an end, and that U'ren might be better groomed for Delhi in Singapore. I said that I felt a little doubtful about this as we already had 2 Indian policemen in Singapore and were sending a third, and that meanwhile Bourne seemed to be doing well and would be prepared to stay on on a six monthly basis if we wanted him. U'ren is joining us next month.

I then raised the question of the Registry. There had been a suggestion at the last DG's meeting that in order to relieve pressure

on the Registry certain categories of correspondence might come direct to sections before being joined up. While I agreed that the present principle was sound since it ensured that action was taken only on complete information it might be for consideration whether the risk should be taken. Horrocks said he was not against this if there was a case for it, and he would examine what categories of correspondence could be treated in this way. He said that the staff position had improved slightly during the last 2 weeks probably owing to the recent regulations which imposed restrictions on anybody wishing to change their job. They now have to apply to the Ministry of Labour and can be drafted anywhere.



Curry came to see me. He is proposing to write a book, in simple terms, on the Comintern and its policy in relation to Soviet Russia. He is also considering taking on some work with the Control Commission.

9th October

Phillips of NID came over to say that in view of the cuts in the Navy which would be published on Wednesday next the First Lord had sent for DNI and asked him to get whatever information he could as to the effect on naval ratings. Apparently all short-term service men are to go and this will mean that long service men will have to spend a far longer time abroad. This clearly will not be to their liking. Further, a number of ships are to be scrapped, naval construction practically to cease and Chatham dockyard may be closed down. Lastly, there will be no improvement in the accommodation at naval barracks which, in many instances, is extremely poor. I told Phillips that it was not really a responsibility of ours to snoop on the Navy, but that ever since Invergordon we had to some extent been drawn into these matters as there did not seem to be any other appropriate organisation to deal with them. This, as far as I could see, arose from the fact that the relations between officers and men in the Navy were entirely different to those in the other services. In the army an officer knew his men and generally a good deal about their family life. This is not so in the Navy, and officers often do not know what the lower deck is thinking until they start to throw buckets about. Phillips said he thought that was a fair estimate of the position. I said that we would do all we could to supply the information he required, and that I would send Boddington down to Portsmouth towards the end of next week, and that he might also

be able to visit Plymouth.

I discussed this matter afterwards with Allen and Boddington and said that while I felt we must help the Admiralty in their present difficulty, we ought to try and devise some scheme by which they could look after their own house. I had in mind that they should select suitable informants, Boddington thought ex-marines, who could work under the direction of Chief Constables. They would presumably have to be paid, at any rate in part by the Admiralty.

I had lunch with [redacted] who is going on another visit to Holland. He is anxious to know what we thought about the recent pronouncement by Moscow that a Communist Information Bureau had been set up in Belgrade with representation by Russia and the satellite powers, Italy and France. I told him that in our view this was a move against the Marshall Plan, and an attempt by the Russians to drive a wedge into the west through the two countries which they thought from their point of view were the most promising. I rather thought they might have missed the bus in France. On the other hand, the situation in Italy seemed more promising from the Communist point of view. We thought it curious that the Russians had come out into the open in this way, as it could only have the effect of stiffening world opinion against them.

10th October

Roger and I went over to see Sir Donald Ferguson, P.U.S. Ministry of Fuel & Power. We handed him a short note on the Communist influence in the Miners Union. He said that Shinwell had, of course, been in very close ~~xxxxx~~ relations with the former. He had

ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

done this deliberately as he thought he was getting more out of it than Horner. With this view Sir Donald was inclined to agree. He did not disagree with the terms of our note which he thought represented the position fairly accurately. We did not, however, deal with the point which was worrying him, namely a feeling, and it was no more than a feeling, that perhaps Horner wanted to put a limit on the amount of coal that should be produced as this would leave it within his power to hold up the nation at any moment. Roger said that our evidence did not support this view since Pollitt had mentioned a figure of 230 million. It was ^{not} customary, he thought, for the Communists to make a pronouncement of this sort and then take steps secretly to slow down production. Sir Donald said he thought that many of the Lodges were under Communist control. With this Roger agreed. Speaking of Horner, Sir Donald said that in his cups he was rather inclined to take the old revolutionary line and to hint that he would like to bring the whole place down about our ears. It did not follow, however, that this was his real intention or that he would think it politic to do so. Horner is meeting with quite a lot of opposition in the Union from Bowman who thought he ought to have been made Secretary General. Bowman thoroughly disapproves of the Communist element. Will Lawther, the Chairman, is just the stooge of Horner and the Communist members of the Executive. I asked Sir Donald whether he would be kind enough to let us have, from time to time, any information which might come his way relating to disputes within the mining industry and of the individuals who were at the back of them. Equally it would be of interest to us to know what people like Horner and Pollitt were thinking. He said he thought that for our purpose we should get more information from the Coal Board, Fuel Commission, and suggested that we should see

Sir Arthur Street. This we are arranging to do. 8/

Dick, Vickery and I discussed the Indian situation. Vickery had confirmation of the D.M.I.'s remarks about Sikhistan. They had evacuated the provinces of Lyallpur and Montgomery on the scorched earth policy and were staying on the eastern frontier controlling certain bridgeheads and threatening to hold up water supplies. Having starved out the Muslims they would go back and occupy their former strongholds. I discussed with Vickery the last letter I have had from Bourne about the incident of the Pakistan Times. He agreed that there was no point in going further with Sanjevi, but that if the High Commissioner for Pakistan could find out tactfully what the effect had been on Ahmed and our future liaison it would be useful. Apart from this we should do nothing except await the return of Jenkin.

We had a meeting of the Hollis Committee with Bridges in the chair to discuss a plan put forward by L.C.S. It was decided to concentrate on the scientific and technical side since questions of dispersal would be difficult to put over plausibly in the present atmosphere of stringency. With regard to a suggestion by the Foreign Office that something should be done to counter Communist propaganda I said I thought we might try to let them know that we thoroughly understood their methods of achieving their ends by subversion and infiltration, but we regard them just as much as acts of aggression as an attack with weapons of war and that there was a limit to what the Anglo Saxons would stand. The question of lecturing to the I.D.C. came up and it was agreed that 'C' myself and the L.C.S. should see the new Commandant, Air Marshal Slessor.

13th October 1947

92
Col. Wilde came in to see me about the meeting on deception. I told him that I thought that, on the whole, I thought it had been quite satisfactory. He then made a suggestion about putting out some document under a Cominform heading. I said that I thought this would be difficult at the moment since we knew so little about the Cominform, its organisation and methods of communication.

14th October

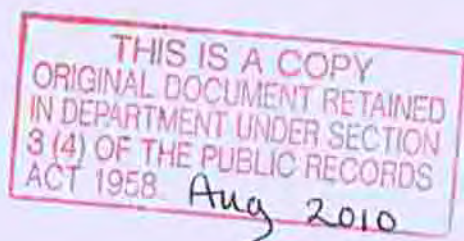
Viv rang me up to know whether I had heard or Thakin Nu's arrival in London. I said that I had not heard anything about it, but would find out. I subsequently heard that he was coming to sign the Treaty. Viv's idea was that we might pursue with him the request that he had made to our D.S.O. that he should be provided with some experienced officer to set up an Intelligence Service in Burma. I said that I would think this over and let him know.

I saw Maxwell on _____ cases. He handed me back the B.3 document about the Bella Group which he had read with interest.

I saw Sir Eric Speed about the case of Jack PARINE. I said that we had what we considered to be conclusive evidence that PARINE was a registered member of the Communist Party, but that if he was contemplating action we should prefer to obtain confirmation by other means in order to cover our sources. This seemed desirable in any case, since it would be the first case of this kind that would come before the new Minister. Speed thought that basically Shinwell was anti-Communist and might therefore be quite amenable to action being taken. He did not, however, know

83

very much about his new Minister, though his first impressions were good. He said that as soon as we had obtained confirmation he would get in touch with Bridges and ask for guidance. I told him that there had been a Working Party which had considered the question of Communists in Government employment. They had put forward certain recommendations regarding the elimination of these people which had been accepted by the Defence Committee. The matter was to be referred to the Cabinet, but so far we had heard no more. There was, therefore, no positive Cabinet policy on the subject. Speed said that it would be most undesirable to keep PARINE where he is, and if he moved him it would be difficult to do so without stating the reasons. I agreed to pursue enquiries and let him know the result as soon as possible.



15th October

I discussed the Sunday Times leakage case with Hill. In spite of the enquiry in the Admiralty Hill still thinks that the leak occurred there. He bases himself largely on the statement of the D.G.'s friend Dickson a high official of the Kemsley Press.

I discussed with Dick and Paddy Bamford the question of an approach to Thakin Nu. I said that in my view the moment was inopportune. Firstly THAKIN NU would be extremely busy, and secondly it seemed to me undesirable that we should appear in any way eager to give him an officer to run his Intelligence Service. It would be better, I thought, to let the discussions go on locally with the D.S.O., the more so since THAKIN NU himself had said that he did not wish to consult the Governor in a matter of this sort. I subsequently telephoned Vivian who agreed with our views.

At the J.I.C. today when referring to the American and Soviet views recently expressed at U.N.O. on the future of Palestine, the Americans had been asked by us for further details about their proposal that the country should be controlled by an international police force, and I gather that we had expressed considerable doubts about the practicability of the plan. The line adopted by the Russians was considered by the F.O. to be logical. From their point of view, if they had not vaguely supported the majority report of U.N.S.C.O.P., deadlock would inevitably have been reached out of which they felt we might have profited. Their one idea is to get British forces out of the Middle East. The adoption of the majority report is now certain. Meanwhile, telegrams have been received from the British Ministers in Iraq and Transjordan stating that the Prime Ministers of both these countries have expressed their intentions of occupying the whole of Palestine.

immediately the British troops withdraw. How far Iraq and Transjordan will be able to 85 implement these decisions is a matter of speculation. All matters relating to the evacuation of Palestine by the British forces and administration are now being considered by a special committee. C.I.G.S. has stated that this will take two years, but the general view is that it would not take more than 8 months to a year. Eight months is considered to be the minimum.

General Ismay talked about recent events in India. He said that he had searched his conscience carefully and was convinced that unless the Government had been prepared to send several divisions of troops to India and 5,000 administrators with the object of revising our policy and continuing to govern the country for an indefinite period, the decision to hand over in the shortest possible time was the right one. We had been in the position of having responsibility and no power.

Prior to August 7th there were grounds for optimism that we might succeed in effecting the transfer without bloodshed. Firstly, Nehru had not gone communal, and indeed, had maintained his position throughout, in spite of strong opposition from other members of his Cabinet. Secondly, the General Defence Council seemed to be working well. Joint responsibility had been accepted for the control of areas thought most likely to be affected by the decision of the Boundary Commission, and it was hoped that this would prevent an outbreak of hostilities. These hopes had been ill-founded, communal strife had broken out among the troops and with the police force, ~~with~~ which rendered them totally ineffective. The situation had been beyond control of British officers who had behaved with the greatest fortitude under impossible conditions. By September 6th the disturbances had spread to Delhi and an extremely critical stage had been reached. He and Mountbatten

assembled a kind of War Cabinet where decisions were made and carried out as far as the general breakdown in administration would permit.

Lord Ismay said that he never thought he would see the day when Nehru would act with so much courage. In the circumstances he kept his head extremely well, and through orders being given to shoot to kill an uneasy peace had been established. Ismay gave instances of Nehru's personal courage when he went down to the camp of 50,000 Muslim refugees without any escort. Ismay himself had seen these people who were in a general state of panic and capable of almost anything. The marvel was that Nehru was not torn to pieces. Orders have now been given by Mounbatten that he is to have a guard of Gurkhas and that whatever Nehru's instructions, they are to accompany him wherever he goes.

The mass evacuations have to be seen to be believed. Ismay had flown low over the affected areas. Columns often as much as 25 miles long could be seen on the main roads, and were being swelled by smaller columns from the countryside joining the main stream like tributaries. These columns were, of course, a perfect target for attack by opposing factions.

The situation in Delhi too had, for a period, been extremely bad. There were no communications either by wire or by rail, and the whole commerce of the city was at a stand-still, with the threat of starvation hanging over them. Stabbings were going on all over the place. Ismay had seen a lot of these himself when walking about in disguise as a broken-down quartermaster. He had been impressed by the way in which the few British troops had behaved. At the station he saw two corporals smartly dressed and walking down the platform in step. The whole place was littered with dead and dying. When he asked them what was going on their only remark was that the Bombay train was two hours late. At Lahore, which he had visited on his return, the Black Watch were passing through by train.

There was a seething and ugly mob on the platform, when two Military Policemen walked down and a gangway was immediately made. Two pipers got out of the train and marched up and down the platform playing a tune. This appeared to pacify the mob entirely, and the train moved out with cheers and salaams. 87

There is a complete lack of intelligence about what is going on in various parts of India, and on several occasions Nehru has come to Ismay with the most fantastic

stories about disturbances which have subsequently proved to be entirely false. In each case Nehru stressed the point that these reports had been received from eye witnesses. D.I.B. is not even a shadow of its former self.

On the question of Sikhistan, Ismay described the position more or less as we know it. The Sikhs had marched out to the frontier in an orderly fashion with all their goods and chattles, guarded by military forces. The probability was that when they reformed they would attempt to re-occupy their old strongholds, and that Nehru would not be able to control them. They lacked, however, a strong leader. Generally speaking, Ismay thought that there were some grounds for thinking that the present uneasy peace, which had now lasted close on three weeks, might be maintained, and that things would ultimately settle down. This did not say, however, that the administrative problems to be coped with were not enormous, and that even if decisions could be obtained there was hardly anybody qualified to carry them out. In particular, Ismay was trying to get Nehru to consider what his defence forces should be and what assistance, either advisory or executive, he required from the British. He had found it impossible to make any headway. Everybody was so taken up with day-to-day emergencies. He doubted

whether any British officers, either in the army or the police, would continue to serve, particularly after the vilification which had been heaped upon them after the disturbances in the Punjab. We now have about three brigades in India, but the strength of the battalions is not more than about 300. Two of these are in Delhi, and the remainder in Bombay, Calcutta and Karachi.

So far there have been practically no incidents directed against British subjects, but if Nehru cannot hold his position and Delhi goes communal the uneasy peace is likely to revert to anarchy and the need for getting British subjects out of the country may become an urgent necessity. Numbers are estimated at something like 50,000, but it is as difficult to plan evacuation in advance as it would have been to plan in April 1939 for the evacuation at Dunkirk. Many of those British subjects remaining in India outside the official classes have commercial interests, or are private citizens who have, for some reason or other, decided to settle down in the country. If steps are taken now to compel them to leave the responsibility for their future and for the loss they would incur would rest upon the Government.

Lastly, Lord Ismay mentioned his own personal position. He had seen a great deal both of Hindu and Muslim leaders and has reason to think that the time is rapidly approaching when he will be regarded with suspicion by both sides. He feels, therefore, that his usefulness is coming to an end, and that his final return to this country will not be long delayed.

16th October

I gave Hill a file about an article which the Daily Express were proposing to publish on M.I.5. and M.I.6. Admiral Thomson had expressed the view that it did not contra-

89

vene any D. Notice and that there was nothing to be done. I have asked Hill to get a copy of the article and consider whether we should not return to the charge.

Cumming came to ask me about our new cipher book. In order to prepare this book it was desirable to let L.S.I.C. look at our telegrams for the last 4 months, in order to see what groups recurred the most frequently. When this had been done they would want to have our present book which would, if they were so minded, enable them to de-cipher all our telegrams. I said that I saw no objection, provided they were not given any telegrams which contained anything contraventional as between ourselves and S.I.S

T.A.R. talked to me about a letter that he had received from S.I.M.E. asking whether the Palestine police knew about (a) [redacted] and (b) microphones. I said that as far as I knew they were only aware of the existence of microphones. This they obviously knew on account of C.S.D.I.C. It was, however, just possible that they knew something about [redacted] from Quill or from the fact that defensive precautions had to be taken.

17th October

I attended the J.I.C. deputies meeting. Nothing of importance was discussed.

Miss Russell King told me that [redacted] head of S.D.E.C. was coming over to see 'C'. Should he be encouraged to come and see us? I said if he wanted to see us we should be very pleased to see him, but unless the suggestion came from him I did not see much point in our seeing him at this moment, since we had no particular proposals to make to him. I gather that [redacted] head of his counter-espionage section had

THIS IS A COPY
ORIGINAL NOT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010.

90

been anxious to send another representative to this country. [redacted] was not in favour of this as there would be very little for him to do and the Ambassador Massigli had vetoed the proposal on the grounds that he only wanted one Intelligence Office on his staff. We did not wish to get involved in this dispute. We are perfectly satisfied with [redacted] through the flow of information owing to the political situation in France as the moment is not very great. If we had any new proposal to make for closer cooperation and a wider exchange of information there would be some point in seeing [redacted] I thought it best to leave matters as they are and to get [redacted] out to lunch after [redacted] has gone. I would then get from [redacted] a frank opinion of the present state of French intelligence and the extent to which it might be penetrated by Communists. We should by then know better through the results of the municipal elections how things were going. I would also consult 'C' and find out what [redacted] had told him.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958.

Aug 2010

Roger and I went to see Sir Arthur Street of the Coal Board. He read a note on the N.U.M., a copy of which had already been given to Sir Donald Ferguson of the Ministry of Fuel and Power. He said that our note was, in his view, an extremely good appreciation of the situation in the mining industry. He thought that we ought to maintain very close touch and that he should give us any information on general trends or personalities which came to his notice. Likewise, he would be

glad if we would pass to him any information^{al} of interest which came our way, particularly anything which might indicate a change of policy which might well come from the Communist Party Headquarters. He talked a lot about HORNER whom he thought was one of the ablest Trade Union leaders in the country. In some ways he was a satisfactory person to deal with, since if he undertook to do something he was true to his word. Street was fairly confident that Horner was genuinely out to increase production. He did not believe that there was any limit and he agreed with us that Pollitt's pamphlet on the coal industry where he set a target of 27 million tons was genuine and that it was unlikely that the Party would, at the same time, be secretly trying to restrict production. On the other hand, Horner was out to increase wages regardless of whether the industry could carry the burden. Street had represented the mining industry to him as a cake. He had said "now this is your slice. If you want a larger slice you cannot have it without the burden falling on the community as a whole, and this will include all your fellow-workers. The only way in which you can have a larger slice is by creating a bigger cake, in other words by increasing production." Street had drawn attention on one or two occasions to nasty remarks made by Ben FRANCIS in the Daily Worker about the Coal Board. HORNER had taken this up and for the time being at any rate the remarks had ceased. Street said that in Wales there was what really amounted to cacanny. There had been talk about increasing the sting by 2' from 25' to 27' at Grimethorpe, but in Wales they were only working on about 13' and an immense amount would have to be done to get any increase as the conditions were not so favourable. Another matter

92 which had been worrying the Coal Board was sabotage. This appeared to be confined to certain pits, the nozzels of hose pipes were cut off, lamps were deliberately broken etc. Street had had exhibits brought up to his office and had shown them to Horner. Horner was furious about it and brought the whole of his executive to London to see the exhibits. They were instructed to track down the offenders. There had, however, been no result from their efforts; neither had the police been successful in their enquiries.

20th October

I took the chair at the D.G. meeting.

I discussed with Dick and Vickery a note which had been received from Bourne in which he points out the difficulties of getting any information on internal affairs in India without arousing suspicion. Officials in D.I.B. were obviously self-conscious about the whole thing. He thought it unwise to press them, particularly since the attitude of 'I told you so' has caused a certain amount of resentment against British officials.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010.

Bailey is apparently on his way home for consultation. A message has been received through Bailey from George Jenkin who has been in Delhi. He has heard from Ahmed who does not appear to be in the least worried about the Jenkin-Liddell publication in the Pakistan Times, and hopes Jenkin

93

will ultimately return to Karachi. Jenkin takes a very alarmist view about the whole situation in India. He thinks there will be civil war, and that if Pakistan cannot get any help from us or from the Americans she will probably turn to Russia.

21st October

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010.

T.A.R. brought Burgess and his successor, Sir Marston Logan, to see me. Burgess is going to the East African Department of the Colonial office.

Hinchley and I saw Perks. He said that we ought to see Paice about the Traffic Index. As regards the Port and Travel Control Group, he was all in favour of his officers joining it. He had some 40 applications, but he did not think all of them suitable. It was his intention that we should have

94 the cream of the I.O.s. He thought this was the only way in which our relations at the ports in time of war could work on a smooth basis. He was full of stories about the quality of I.O.s. in the early days of the war. Many of them were totally unsuitable as well we knew. It is satisfactory to find that Perks is thoroughly behind the scheme for a Port & Travel Control Group.

I had a meeting with Dick, Hollis and Furnival Jones about the discussion at tomorrow J.I.C. on the Intelligence Division of the Control Commission in Germany. It was agreed that I should emphasise that the present proposal for offensive action against the Russians would lead to strong counter-action on their part. This meant that not only the Control Commission personnel might be penetrated, but that the Russians might regard these operations as a way into this country. We therefore had a considerable interest, and should like to have the closest possible relations with those concerned in the Control Commission. We might consider sending them an officer from our research section on Russian espionage, and it might further be for consideration whether we should not revive in some form or other the War Room which would include ourselves, S.I.S. and the Americans.

Cecil, Dick, John Gwyer and I discussed John's paper on Ireland to which we have made several amendments.

22nd October

The whole morning was taken up in discussing the re-organisation and new objectives of the Control Commission with General Lethbridge. It did not seem that we got very far. The fact is without knowing

95

exactly what the situation is on the ground, there is very little point in discussing how matters can be improved. One can only listen to what Gen. Lethbridge had to say. I asked about his research section on Russian espionage. I was told that it was working well; that he had $\frac{1}{2}$ a million cards and so on. We know, of course, from experience, that it has very little appreciation of how the Russian Intelligence Service is working, but it was difficult, if not impossible, to say so at a meeting of that kind. What is really required is a first-class research and analysis section with properly carded records which can give proper direction to the out-stations, otherwise nobody knows that he is looking for. If a suspect is apprehended at the frontier he has to be interrogated, but this can only be done profitably by somebody who has real knowledge of the Russian machine. I put forward our proposals which were, on the whole, sympathetically received. 'G' however threw some doubt on the advisability of creating a War Room with the Americans owing to the differences which exist between G.2.,

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

I got Col. Rhodes, who attended the meeting with Gen. Lethbridge, to come round after lunch. He is head of the Operations Division. Dick and I talked to him. He seemed very amenable to the proposal that we should lend the Control Commission an officer from our research section. He would also agree to the revival of the War Room if it could be made to work. A proposal is going forward for powers to intern under 18(b). At present there are no powers for holding the Russians. While it is obviously a good idea, it ~~is a bit tricky~~ does carry with it all the snags which we experienced, e.g. the Birkett Committee, haebus corpus, etc. I pointed this out

96 both to Rhodes and to Gen. Lethbridge.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

D.N.I. rang me up about a Canadian of White Russian origin who has served in the Canadian Navy for 20 years, and has been nominated to join the Canadian Naval Staff here under the Canadian High Commissioner. He did not wish to have a White Russian, and was anxious to say that M.I.5. thought this a bad idea. I said that I did not think he could use our name, but that he could say that it was a matter of common knowledge that White Russians were always a target and that although this particular officer might be beyond reproach, it would be difficult to get the idea out of peoples heads that his origin rendered him unsuitable. This would produce a certain awkwardness and might affect liaison. He would therefore prefer to have someone of British origin.

23rd October.

Colonel Ford, who was formerly employed here is an Italian speaker. He is leaving the Control Commission and is looking for a job. He is a Regular Army Officer. I told him that there was really nothing here that we could offer him.

97

I attended the Senior Immigration Officers' Conference at Princeton House and found the proceedings quite interesting. The Conference is an annual one and lasts for two days. I am sure that we should be present at all the sessions, since it gives us an opportunity of understanding the difficulties with which Immigration Officers have to contend, and brings to our notice a number of interesting facts. I was only able to attend one morning session, during which the following points transpired:

1. It is perfectly possible for an alien to fly from Eire on a visit to the Isle of Man without a visa. Once in the Isle of Man he can come uncontrolled to the U.K.

2. An alien who crosses the Eire border into Ulster without a British visa commits no offence against the Aliens Order, since so much of it is ultra vires, where it might be picked to pieces in Parliament. The only remedy that the Northern Ireland Government have is to deport the alien, but for this they would, of course, need to have adequate grounds.

3. The Home Office were considering cancelling conditional landings for all aliens who have been domiciled here since before the war. This question was put back for further examination and, as a result of my being there, the matter will be referred to us before any action is taken.

4. There were various complaints about the Traffic Index, which assisted me in opening the matter with Paice. He admitted that the index was three or four weeks behind on account of the large amount of travel during the holiday season. I explained to him that in its present state it was, from our point of view, practically valueless, since aliens could come and go before we knew anything about it.

98 Commander Attwood, a Canadian who has been visiting N.I.D. and other departments during the last six weeks, came to see me before his return to Canada. I explained to him the general lay-out of the office, and introduced him to Hollis and Farnival Jones. He told me that in Canada the D.N.I. was responsible for operations and intelligence, and that under him he had two D.D.N.I.s, one for operations and the other for intelligence. The general intelligence policy of the D.D.N.I.(I) is closely linked with the D.M.I., who has some overall charter in this field for military, air, and naval intelligence.

Shaw, Chief Immigration Officer, Port of London, came to discuss with us ways and means of getting MIKOLAJCZYK ashore without any publicity. We had been notified by the Foreign Office that he had been placed on board the 'Batavia', in a packing case, by the Americans, and that he was due to land on about Friday or Saturday. Nobody knew his identity except the captain. As far as I can gather, the authorities want to conceal the method of his escape and to announce later on that he has arrived here via the Continent as a refugee. I believe that some sort of undertaking was given to him when he went back to Poland by Winston, to the effect that if he were in real difficulties he could always seek asylum in this country. It is quite clearly Moscow's policy to liquidate all Peasant Parties behind the Iron Curtain. They have already dealt with PETKOV in Bulgaria, and are now dealing with MANIU in Roumania. MIKOLAJCZYK's turn would certainly have come, and he must have decided to give up the unequal struggle before it was too late. In Western Europe it seems to be Moscow's policy to split the Socialist Parties: this they have already done in Italy with some success; since the Left Wing Socialist Party, under

Nenni, vote regularly with the Communists.⁹⁹
There has been talk in Warsaw, according to
an article in the Times, of the formation of
a Left Wing International. This coincided
with a visit by ZILLIACUS, who had an inter-
view with Stalin. It will be interesting
to see whether this new International comes
into being.

Carew Robinson telephoned to me to say that
LACHMANN had now been given permission by the
Ministry of Supply to take up employment
in Handley Page's works. Robinson wondered
whether we had been consulted, since this was
contrary to the order made by the Home
Secretary when LACHMANN was released. I said
that, as far as I knew, we had not been
consulted. He promised to send me a copy
of the Ministry of Supply letter.

24th October.

I attended the Deputies meeting of the
J.I.C.

I lunched with Hayter _____

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

We talked a good deal about things in
general, and particularly about Russia. I
told him that while the proposal of the J.I.C.

to review their comments (?) on Russia's progress in atomic research was obviously sound. I did feel that perhaps we were a little too inclined to think of a possible war with Russia in terms of the atomic bomb. It seemed to me that if war was coming in the next five years, it was much more likely to occur through subversion and infiltration, such as had occurred in Persia, where things seemed to be boiling up again. If we were faced with the fait accompli, I rather wondered what either we or the Americans would, in fact, do at this moment: the matter would obviously be taken up with U.N.O., with the usual negative results. Meanwhile the Russians would be on the ground and nobody would be prepared to take any effective action to turn them out. When this had happened in two or three different places, we should have to say that the limit had been reached. The danger was that the Russians, encouraged by previous successes and ignorant of the psychology of foreign powers, would bluff over the limit and so drift into war. Hayter agreed, but thought that the threat of the atomic bomb would loom large in all their calculations, and that they might even draw back if they were told that failure to do so would result in America or ourselves using the bomb. He thought that a totalitarian state was perhaps more flexible than a democracy, since it had no public opinion with which to contend and it could always twist the facts by propaganda to suit an action. Goebbels, for example, had so hypnotised the German people that what he said one week could be put into reverse the following week. This would be even easier with a backward race like Russia. There is, I think, something in this argument, although the Russians could not afford to lose too much space, particularly in view of the foreign factual broadcasts which are now reaching the Russian people. Hayter told me that the B.B.C. receive a considerable amount of 'fan mail' from Russia, and that the "British Ally", published in Moscow, is passed

from hand to hand and eagerly read. ¹⁰¹ It is, of course, careful in what it publishes, but it has recently got away with one of MacNeil's hot speeches to U.N.O! ~~SE~~ ZHANOV has admitted, by implication, in a speech on the Cominform, that Russia was not yet in possession of atomic bombs: he complains that the Americans have an unfair advantage. This is not, of course, conclusive, but on the evidence available it is probably true.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

That silly old blimp Sir Waldron Smithers (or as LOW calls him, Sir Waldron Blithers!), is asking a question about monitoring telephone lines. The Post Office are giving a purely technical answer, which refers only to testing of lines, etc. As there might be supplementary questions, I thought Maxwell should be informed. He agreed with the terms of the reply.

S/Ldr. Birchfield, who is going to SIFE, came to see me. He was formerly employed in Ops. B. at SHAETF. He is very well thought of here and should prove a useful addition to Hugh Winterborn's staff.

The D.G. has returned from America. He gave me an account of his travels. In addition to visiting Montreal and Ottawa, he has been to Toronto and Vancouver, and he made contact with a good many of his former police friends, all of whom had proved extremely co-operative. At Toronto he had been given a large dinner, at which Drew, the Prime Minister of Ontario, was present and 45 millionaires. He talked to them about the work of the Security Service - in strict confidence. He had found that they had the wildest notions about conditions in this country. He told them that the present Government were not more Communist than he

102
was himself. They had been reassured to hear this, as they had evidently got the impression that the old country was going bolo. Commissioner Wood is apparently going in a months time and will be succeeded by Gagnon, the French Canadian, who is from all accounts a first-class man. He certainly gives that impression. It is hoped that arrangements will be made to send over McClellan, who is now in charge of the S.B. of the R.C.M.P., and handled the GOZENKO case under the direction of Rivett-Garnac. I have met McClellan; he makes a very good impression. Gagnon had apparently talked about Cyril Mills, whom he evidently disliked. He hoped that we should choose someone else if we were sending another envoy to Canada. I explained to the D.G. what was behind this remark. The fact was that Cyril Mills had been sent out to deal with a very delicate double-cross case, which the Canadians had bungled. In trying to get things back on to the rails, Cyril had come up against Harveson, who was considered to be one of the Ace men in the Montreal Police. Harveson is a good chap and all right on his own job, but he knew nothing about double-cross work, and if Cyril Mills had not been there and taken a strong line, the most frightful bumbles would have been committed and the whole of our network in this country might have been jeopardised. As it was the incident had been smoothed over, but not without some difficulty.

The D.G. saw the F.B.I. He had a long talk with Hoover, who rattled at him like two machine guns! He had managed to put in a suggestion that the F.B.I. should send over a representative for discussion on Russian and Jewish affairs, particularly the latter, in which they were clearly becoming more deeply involved. He hinted that Ladd's presence here would be most welcome. He also had a very successful interview with the Ambassador

163
after a somewhat sticky luncheon party.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

25th October.

MIKOLAJCZYK was successfully landed last night without any incident.

FRIPP came to see me. He is worrying about a testimonial from here, which he wants sent to Kleinworts if they apply. They have offered him a job in the Far East an area which so far they have not exploited. I told him that his representations about pay were in the hands of Horrocks, and that he would be discussing the matter with the D.G. I suggested that when they had reached a conclusion, they should send for Fripp and tell him what they were prepared to do.

27th October.

At the D.G. meeting to-day, Furnival Jones raised the question of the twenty Russian engineers going to Rolls. Paynter has made an enquiry. We are seeing that every possible precaution is taken by the Works Manager to isolate these people from anyone who could give them confidential information. The D.G. directed that the Derby Police should be informed.

The D.G. had a meeting with myself, Horrocks, and Dick, when we discussed the new plan for B. Division. After a good deal of argument it was decided that TAR should go to B.2. to control Russian espionage, and that Kellar should, at any rate for the time being, take over his old job with B.3. It was also decided to put Malcom Cumming into B. Division as head of B.4., as this would

CT
p⁴ Give him a chance of experience in a different field. Horrocks said that he could perfectly well get on with Joe Spencer, who would take over Malcom's A. duties. It was decided to send U'ren to the Far East and to move him later, if necessary, to Delhi, or to Ceylon. The Treasury have given a ruling that Indian Police officers with pension rights, who join this department and wish to be established members, can only take their proportionate pension from the Indian Police; and not their gratuity. If they did not elect to become established members of our staff, they could be temporary members and draw both their compensation (?) and their proportionate pension from the Indian Police. I raised the question of decorations. I explained to the D.G. that his predecessor had kept this matter entirely in his own hands, with the result that the first I had known about the granting of decorations to officers serving in my Division had been the notification in the Press! On one or two occasions I had found this extremely embarrassing, since I thought that others in my Division had better claims. I would suggest, therefore, if he agreed, that when the time came Directors of Divisions should be asked to put forward recommendations. He entirely agreed that this was the proper way of doing things.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

105

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

28th October.

We now appear to have got as far as we can in the case of Paul FIDRMUC @ OSTRO, who caused us so much trouble and anxiety during the war. We had during the war made a careful analysis of OSTRO's ISOS traffic, in which there were fairly frequent references to information from this country. We have come to the conclusion that in the main it was so trivial and so grossly inaccurate that OSTRO must just have been making up stories based on little snippets of information that he got in Portugal. Occasionally he hit the nail on the head, but we felt that this was likely to be purely fortuitous, since such facts were always hedged about with alternative possibilities, and other facts which were wholly inaccurate. We were, therefore, considerably shaken when FIDRMUC was repatriated from Portugal and subsequently interrogated by the Americans. He then explained in very considerable detail that he had recruited a Czech named Rudolf Franz RATSCHITZKY in 1937 or 1938, from whom he had been receiving reports since before the war. RATSCHITZKY was employed in the U.K. during the war in a variety of capacities. It was alleged that a good deal of his information related to air matters, and that he obtained details about our production

and about our operations through the Head of the Czech Air Force, JANOUSHEK, and that the Czech Minister, Prince LOBKOWITZ, was also involved. Communication was by secret ink on the wrappers of periodicals, propaganda material, etc. This agent was known by the name of TOR, and nobody in Germany or in this country knew his real name except OSTRO. On the basis of this information, RATSCHITZKY was traced to the U.S., where he was interrogated by the F.B.I. and Miss Chen Chenhalls. While he showed slight confusion at the outset when asked if he knew Paul FIDRMUC, he subsequently denied vehemently all charges that he had acted as an agent of the Germans during the war. He began by saying that he did not know Paul FIDRMUC, but shortly afterwards confessed that he did and said that he had misunderstood his interrogator on account of his mispronunciation of the name: this may or may not be true. The whole of RATSCHITZKY's career was most carefully gone into, his methods of receiving money, etc., and a check was made wherever possible. In no single instance was RATSCHITZKY found to be lying. With this information Klop returned to the American zone for a further interrogation of OSTRO. The latter stuck to his original story, but was broken down in one or two material points. We feel, therefore, that as he was bowled out on these important items, his other statements must by necessity be treated with reserve. He had claimed to have received the correct news of D. Day before the 2nd June, 1944, although he did not get the exact date ~~when the date~~ on which the information was posted in the U.K. When told that it could not have come to him in a May copy of a booklet, as he had alleged, since air mail from the U.K. to Lisbon was suspended from March to June, 1944, and all other mail subjected to

approximately three or four weeks delay, 107
he said quickly: "Printed matter was not
delayed". When told that it was so, he
said. "Perhaps it could have come through
Diplomatic channels". When it was then
pointed out to him that all diplomatic
privilege was withdrawn on the 27th April,
1941, and correspondence subjected to
ordinary examination and the overall delay,
he remained silent.

We feel satisfied, therefore, that in this
instance he was lying, and are confirmed in
this view by the fact that there was no
ISOS message to Berlin giving details of
the invasion plan.

The other case was concerned with the
magazine called "The Ironmonger". OSTRO
claims to have recruited in 1938 a Czech
named Frantisek NEJEDLY; who was engaged on
technical work in Russia, and to have
persuaded him to send regular reports on
conditions in the iron and steel industry
there direct to "The Ironmonger" magazine
in London. On the back of these reports
were secret writing messages in German.
OSTRO alleges that he came to an arrangement
with Mr. Hartmann, a member of the staff
of "The Ironmonger", that these reports
should be readressed to him in Hamburg after
the magazine had used what they needed for
their own publication. Hartmann is also

supposed to have informed OSTRO that British
Intelligence were interested in these
reports, and OSTRO was proud of the fact
that NEJEDLY's secret writing messages had
failed to be intercepted by the Russian
censorship or by British Intelligence.
Hartmann was interviewed: he is now the
advertising manager of the paper. When
asked what he knew about OSTRO, he said:
"Have they caught that old Nazi?". He said
that he and his son had visited Germany in
1936 - 37, and that OSTRO had arranged their
accommodation. He had been impressed by the
importance attached to OSTRO by the local
Nazis, and had returned to England and joined

the Territorial Army. He said that OSTRO visited the U.K. in '37 or '38 and had been entertained by him and his wife to lunch. Hartmann said that they had no contributor to the paper from Russia, nor did he know the name NEJEDLY. On the other hand, the information on the Russian metal business was often included in OSTRO's own reports. He summed up by saying that no reports came from Russia or from NEJEDLY. If they had come, they were the property of the periodical and would not have been forwarded. Lastly, if any special arrangements had been made, Mr. Hartmann would have remembered them. OSTRO, when faced with these facts, could only protest the truth of his statements and say that possibly Hartmann was now contradicting them as he was fearful of the consequences of being connected with a Nazi. In the opinion of our interrogator, Hartmann was an entirely honest witness. There were several other significant points in the re-interrogation of OSTRO - one in particular is worth mentioning.

In July, 1939, as war was imminent, OSTRO states he asked the Abwehr to make a payment of £1,200 through the German Embassy on a bearer cheque drawn on Hambro's Bank for RATSCHITZKY. He does not know what directions the German Embassy gave for carrying out this instruction, and it is not clear how the Embassy could have done it without being given the name of the recipient. OSTRO was conveniently vague about the instructions he gave to RATSCHITZKY to collect the money, and no clue is given as to how Hambros were to recognise the person to whom they were to hand over the £1,200. The only point in OSTRO's favour is a statement by him that he did not know that RATSCHITZKY had gone to America during 1944. This makes his previous remark, that the handwriting of the messages he received from England in secret ink changed about that time, of considerable significance.

109

The final view of Miss Chenhalls and Klop is that RATSCHITZKY was approached and very probably recruited by OSTRO, but they doubt whether he ever operated as an agent whilst in the U.K. RATSCHITZKY states that he never met OSTRO after 1937, yet OSTRO alleges that he recruited him in his home town of Lundenburg (?) just after the Munich crisis in October, 1938, and that they together went to Warsaw to make business connections which might prove useful to RATSCHITZKY later when operating in the U.K. It seems likely, therefore, that RATSCHITZKY was recruited by OSTRO between October, 1938, and March, 1939. The recruitment of RATSCHITZKY explains his nervousness when he was first interviewed; his refusal to acknowledge that he knew FIDRMUC's name immediately, and his tension and tears at the beginning of his interrogation. The possibility that he did not operate as an agent gave him the necessary confidence to continue to deny throughout the remainder of his questioning that he had ever acted as an espionage agent. OSTRO's capacity for invention appears to date back to his student days: he was given every opportunity for confessing that his agents in this country were notional. He said it would not be easy for him to make such a confession, since it would subsequently be proved that his agents did exist. Klop thinks it possible that as he had several novels to his credit and was writing a new one, it might be about spies with sensational "facts", which OSTRO had confessed to the Allies: to deny these facts now would be to destroy the whole basis of a potential best-seller. Personally I think there may be another reason. Although not having seen OSTRO I am not a very good person to judge. Clearly he had built up a very great reputation for himself with his own people as a master spy: he might, therefore, for reasons of vanity - and indeed for

other reasons, if he intends to remain at peace with his own people and to reside in Germany, feel that the confession that he had deliberately misled the Germans, for financial or other reasons, would be likely to make his life difficult in the future.

One additional point seems to me to stand out. In none of the papers can I find that OSTRO had any personal collaborators - secretarial or otherwise - this, coupled with the fact that he had an undertaking with the Abwehr, that he would never be called upon to discuss his sources, would clearly have placed him in a strong position if it was his intention to mislead his superiors. He clearly found it easy to lie to his interrogators, since the story he told them himself was one that he had been telling to the Abwehr for four years.

We shall probably never know the real answer to this story, but I feel that we were not very far from the truth.

ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958.

Aug 2010

29th October:

TAR and Courtenay came to discuss with me a telegram received from Burma about our future position there when Burma gets her independence. The D.S.O. feels that this matter should be straightened out as soon as possible. We have told him that we propose to take the matter up with S.I.S. and the Foreign Office, and that thereafter he, and possibly also H/S.I.F.E., should raise the matter with THAKIN NU.

Hunt came to see me. He seems to be quite comfortably settled in the country and he is prepared to wait until

He thinks that we are ⁱⁿ on a very favourable wicket in Burma, and that it would be a mistake, at any rate for the time being, to move John Harrison, who is doing extremely well.

Burt rang me up to say that ZIG-ZAG had asked him to meet two Yugo-Slav women journalists, who had told ZIG-ZAG that they were receiving £40 a month from the Yugo-Slav Embassy to carry out certain espionage duties. I encouraged Burt to meet these women and let me know what they had to say. ZIG-ZAG, I gather, is well in funds. He has opened two hairdressers shops in Knightsbridge, in which he has installed some of his girl-friends. He is proceeding shortly to Tangier on a small yacht, although for what purpose it is not yet quite clear. He seems to be quite prepared to tell Burt all about his experiences. I should imagine that he is probably gun-running. He is in close association with WILLER, the ex-Mayfair boy.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
3 (4) OF THE PUBLIC RECORDS
ACT 1958 Aug 2010

Halford rang me up to say that there had been some proposal from the Czechs about the abolition of the Czech visa on a reciprocal basis. Halford wanted to know what our former interest in the matter of visas had been. I told him that Passport Control was really our first line of defence, since it provided an opportunity of interrogating an alien before he arrived in this country. This was the more desirable since the quality of the Immigration staffs had deteriorated, and there was little opportunity for interrogation at the ports. We were, therefore, opposed to the abolition for many reasons and, as far as I knew, M.I.6. felt the same. We had always thought that the abolition of the French and other European visas would be the thin end of the wedge. Halford said that the Foreign Office viewed the present suggestion with

112
disfavour, and he thought that they would be able to scotch it. An alternative proposal had been put up about the abolition of diplomatic visas. The F.O. did not like this either: they found it convenient to have a gaudy diplomatic visa on their own passports, and they thought that the Czechs would take advantage of the abolition by sending all sorts of people to this country who were not really diplomats at all

30th October.

U'ren came to say goodbye. He is going to join S.I.F.E., but may ultimately be posted as S.L.O. India or D.S.O. Ceylon. I impressed upon him the urgency of trying to improve production in the Far East.

Dick Butler came in to talk to me about the Stephens case, which he thought on the whole was going fairly well. There was only one allegation against Stephens personally, which he did not think was a particularly grave one.

31st October.

I told the J.I.C. we were preparing a report on the attitude of the Russians with regard to Palestine. We had thought it wise to review all the information we had here and in the Middle East in the light of the somewhat tentative support which the Russians were giving to the Majority Report of U.N.S.C.O.P. We had come tentatively to the conclusion that there was a good deal of evidence of active support to the terrorists, and a certain amount of evidence, based largely on the support of illegal immigration, of connections with the Agency. The Committee said they would like to have this report and would then consider whether to embody

113

in the memorandum in the course of preparation by the J.I.S. or to submit it as a separate paper. I also mentioned that we had had a report

to the effect that a special committee had been sitting in the U.S., under Eisenhower, to consider the military interest of the U.S. in Palestine. It was implied that this committee had reached a conclusion that from the point of view of their oil interests the U.S. would be better advised to back the Jews, since the Arabs seemed to be too divided and unreliable. Hayter said that he would like to have this report, but that he rather doubted the authenticity of the report. Only a few days previously the American Ambassador, at the instigation of Marshall, had called on the Foreign Secretary to implore us to stay in Palestine. Bevin had turned this down, pointing out that the Americans bore considerable responsibility for the present impasse, but were not prepared to carry the burden.

I saw JACK, who is leaving in the course of the next few days for Austria on his new venture. He seemed a little bit nervous. I told him not to worry and that he should not be surprised if his mission were unsuccessful, but we thought that the venture was worth while. We should certainly not blame him if nothing materialised.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT OF THE PUBLIC RECORDS
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

3rd November.

For minutes of D.D.G. meeting see folder

I discussed at some length with Dick and Roger the position with regard to Communists in scientific and research establishments. Roger has now got out a list showing how C.P. members are situated. The worst cases

144
are at R.A.E., Farnborough and T.R.E.,
Malvern, but there are odd ones dotted about
a large number of other important research
stations. My feeling is that unless we
bring this situation forcibly to notice, we
shall be open to serious criticism. We
have, of course, told the Services
individually about these cases when they
arose. I think, however, that it would be
a great shock to the J.I.C. if they saw the
whole picture. In so far as the Ministry
of Supply is concerned it has apparently
been the practice in the past to notify
the head of the establishment concerned
but not the Security Officer at the
Ministry of Supply. The consequence is
that the Ministry is unaware of the large
number of establishments which have now come
under its control. I asked Roger to bring
this matter to the notice of the D.G. at his
meeting on Tuesday.

At the moment the Russians seem to be
concentrating on two broad lines of policy:

(1) The liquidation of peasant parties
behind the Iron Curtain. They have already
got rid of PETKOV; they are prosecuting
MANIU and his associates in Roumania, and
MIKOLAJCZYK's party in Poland has been split,
MIKOLAJCZYK himself having left the country
and sought refuge here. This move seems
to be, at any rate in Jugo-Slavia, coupled
with a drive against the Catholic Church,
which the Russians recognise as the most
powerful international force in opposition
to Communism. On the other side of the
Curtain they seem to be concentrating on
splitting the Socialist Parties. This was
very much the view of T.R., as expressed in
his article in the Observer after his visits
to Italy and France. In Italy the majority
of the Socialist Party under NENNI are voting
with the Communists. The furtherance of this
movement has been a suggestion from Warsaw
that a Left Wing Socialist International

115-
should be formed, which would be known as SOGINFORM. This proposal came almost immediately after a visit by ZILLIACUS to Warsaw and Moscow, where he had an interview with Stalin.

After the D.G.'s meeting Dick, Horrocks and I discussed with the D.G. the position of Morton. It was agreed that Morton should delay his return to Iraq until we had had an opportunity of discussing his position with Magan, who is returning here on the 15th November. Provisionally we thought that Morton should see Medhurst on his way back, explain to him his difficulties with the Air Force in Iraq and try and enlist Medhurst's support. We thought that if we could get the Air cover for our representative working properly, it would be better to do this than to apply for Foreign Office cover, which might meet with a certain amount of resistance. It was agreed, meanwhile, that we should send a telegram to [redacted] instructing him to look out for premises, which we would run at office expense. The present accommodation provided by the Air Force is totally inadequate and really makes serious work impossible. When Magan comes back, it is suggested that he might arrange to visit Iraq with Medhurst and settle the whole thing on the spot.

Marriott and Callaghan came to say goodbye. I said I was sorry they were leaving and thanked them for all they had done. The general reaction of Chief Constables is one of regret, but by and large they seem to have accepted the position.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3(4) OF THE PUBLIC RECORDS
ACT 1958.

Aug 2010

5th November.

Jane Archer rang me up to say that she had been in to see the D.G. the previous evening, and had rather let herself go. She had apparently made it clear that she was not satisfied with the position and wished to see Bridges herself. She was annoyed to find that the D.G. had only forwarded on, without comment, to Bridges a copy of his letter to her. I told her that I was unaware that any reference had been made here by Bridges. As I felt that the D.G. might think I had been stirring her up, I told him the sequence of events since he left for America. After receipt of the D.G.'s letter Jane had written me a note asking for advice as to what she should do next. Was she to imply that the D.G. did not wish her to take the matter further? I had spoken to the D.G. about this and he had made it clear that he had no objection whatever, and that if he were in her place he would do the same. While he was away, Jane had rung me up to know whether any reference had been made here by Bridges. I told her that her letter had been received. Later, she rang me again to say that she had had a polite note from Bridges saying that the matter had been referred here and that he was unable to do anything: she was, therefore, intending to see 'O' and possibly also the D.G. That was really all that I knew, ... Until I heard that she had called on the D.G. the previous evening. I repeated to the D.G. my views on the whole case. While I thought that technically Mrs. Archer had not got a leg to

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

(iii) I think that Harker was to a large extent to blame; but for his incompetence the situation would never have arisen, and he had, moreover, over a period of many years, encouraged frank criticism from Jane Archer. He had had it in full measure without any mincing of words, and had on numerous occasions acted on her advice. On the last occasion, however, she had unfortunately gone too far. This was perhaps excusable in the circumstances that prevailed at the time.

THE ORIGINAL DOCUMENT
RETAINED IN DEPARTMENT
UNDER SECTION 3(4) OF
THE PUBLIC RECORDS
ACT 1958.

Aug 2010

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

6th November.

Mrs. Quin tells me that the enquiry into Einthoven's activities during the war is likely to be completed by the end of the month and is unlikely to be favourable to Einthoven. This may bring about changes. Meanwhile, she has been receiving quite a number of enquiries.

I wonder a little whether we ought not to tell van Moyland?

Derek Tangye tells me that the D.G. or myself are likely to be subpoenaed by the Ministry of Labour Court of Inquiry on the Savoy strike, in order that we give

(20) evidence on the internment during the war of Frank PIAZZA, the ringleader. I told Tangye that the proper people to subpoena are the Home Office.

7th November.

I informed the D.G. and Hill about what Tangye had told me, and suggested the D.G. should let Maxwell know.

At the J.I.C. Deputies meeting to-day we discussed the paper on the grading of secret contracts - the Ministry of Supply was represented. The arrangement seemed satisfactory, but a new point was raised by the Ministry of Supply: it referred to cases where a firm on its own initiative started some experimental project which might have a military bearing. In almost every case they brought such matters to the notice of the Ministry concerned, and suggested that the Ministries should in future grade such projects. I said that it was important that we should be informed immediately, so that we could send an officer down to the factory to see whether the security arrangements were adequate.

Another point has arisen, which I was asked not to discuss at the J.I.C. as it is being dealt with in conjunction with the Air Ministry. It refers to attempts by firms to meet certain Air Ministry specifications for various types of aircraft. No decision is reached and no contract signed until the mock-up has been made. If the mock-up is successful, it is obviously necessary to safeguard its security before the contract is made. There seems to be a very definite gap here.

George Jenkin dined with me. He is wholly mystified about the interception of his letter to me published in the Pakistan Times. He drew attention to the fact that the letter

must have been put into the envelope before it was photographed, as the reproductions (2) show creases. He does not recognise the seals: he has no signet ring of his own and would normally have used the seal of the Punjab C.I.D. He cannot swear that he sealed the envelope himself, but says that this is what he would normally have done. He is coming to have a look at the whole file.

I got the impression that Jenkin was not very keen about the liaison job with Pakistan, or at any rate not for the moment, but I did not go on to press him to give a positive answer. He confirmed that the Sikhs had been almost entirely responsible for the troubles in the Punjab. He had obtained valuable information about their activities which he had reported to the Governor General. The question had even arisen of arresting all the Sikh leaders, but he personally had advised against this course which might in the long run have led to even greater trouble. He was very apprehensive about the future of Pakistan: he thought there would be civil war and that if Pakistan could not get any assistance from us she might well appeal to Russia. I said that I doubted whether Russia would do more than supply arms and, possibly, advisers in disguise. She might well be interested in setting up so-called "friendly" Governments - I doubted, however, whether she would openly march troops into Pakistan. George Jenkin did not seem to be entirely convinced on this point.

8th November.

I saw Maxwell about the Communists at the B.B.C. He is going to ask the Home Secretary to extend the warrant for a further period.

I also discussed with him the case of PUTLITZ. He was very sympathetic and is out to stretch the regulations to the utmost limit. He has asked Holderness to look

122 look into the matter. Holderness seemed to think that we might get over the difficulty of the undertaking to remain resident within the British Empire by a new regulation which is coming into force. This regulation authorises the granting of naturalisation to aliens who are going to reside abroad as representatives of British firms.

I saw Bowker, who is to be our Minister in Burma, at the Burma Office to-day. I explained to him the position of the D.S.O., his relations with S.I.F.E. and with the Burmese authorities. I told him that the D.S.O. would be in the same position as Jenkins in Cairo, and ultimately on a pattern with the S.L.O. in Delhi and the S.L.O. in Pakistan, when he is appointed. I also told him about the moratorium now in existence between ourselves and S.I.S. Bowker said that he would like to have the D.S.O., whom he thought would be of value to him, and that he was agreeable to giving him accommodation in his office in the Legation building. He assumed that we should be regularising this position with the Foreign Office. I have, therefore, passed the draft letter to Hayter to the D.G. for his approval before despatch.

10th November.

For Minutes of D.D.G. Meeting see folder in D.D.G. Sec's tray.

I dined with Alley at his request, with a feeling that something was coming! I came rather late in the evening. Alley wants me to see SHARKEY. Sharkey says that he has two important stories to tell,

one relating to a German fund in dollars) ²³
which is being used to set up a factory in
Germany for the manufacture of secret-
weapons, and the other relates to a Russian
espionage network with lines into this
country and European bases in Warsaw, Paris,
and Prague. Alley was, I thought, a little
inquisitive about who was working here and
in the Middle East. I was not altogether
certain, in view of Sharkey's known behaviour
that the latter might not have been at the
back of Alley's enquiries into the welfare
of TAR, Kellar, Dick, and Douglas Roberts.

Alley told me that Sharkey had temporarily
recovered from his illness: he had been in
a home where the doctor had given him a good
deal of dope - in fact he had almost made
him an addict. Sharkey had, however,
resisted this and had subsequently reported
the doctor and the nursing home to the Home
Office. Alley said that both he and
Haylor were shareholders in a scheme which
Sharkey controlled. I was entirely non-
committal and said that I would look into the
matter of seeing Sharkey and let him know.
Alley said that he attached a good deal of
importance to seeing me once; thereafter
I could delegate somebody to carry on.
Sharkey would want to travel, but he did not
wish for any expenses and, indeed, would be
quite prepared to cover the expenses of
anybody we liked to send with him.

11th November.

I told the D.G.'s meeting to-day about the
Defence Committee document which has come in.
It outlines our proposed dispositions in the
Middle East, on the assumption that we shall
be leaving Palestine at a fairly early date.
It is regarded as essential that we should
have our principal base in Cyrenaica and that
building there should commence forthwith.
The trouble is, of course, that Cyrenaica

124
comes under the Italian Treaty discussions and that no final solution can be reached until well on in 1948. I think, however, that it has been decided to put in a strong bid, probably on the basis that we cannot let down the Senoussi, to whom we made promises during the war. This may be a convenient but not very convincing argument! We should then have a Division in Cyrenaica, less two battalions, a Brigade in Cyprus, and two battalions in the Sudan. Our main stores depot would be the one in the course of preparation in Nairobi. If we go from Palestine about the middle of next year, we could temporarily house our troops in Tripoli and Cyrenaica, but we could not get out of Egypt until some time in 1950.

The D.G. has agreed to my proposal that we should have resident night duty officers, if and when we move to Leconfield House.

I saw Derbyshire and Hill. Derbyshire has heard nothing from SHARKEY for some time. He had asked Derby to call on him, but at the given time Derby had turned up and was told that Sharkey was ill and could not see him. We know from S.F. that Sharkey was actually seeing a friend at the Regent Palace! This seemed discourteous to say the least. Receiving no apology or explanation, Derby has just allowed matters to drop. Derby thinks it not unlikely that Sharkey wants to travel abroad, and that his present proposal may well be designed to enable him to get over the restrictions and to receive official backing to carry on certain nefarious deals on the Continent. We all agreed that it would be unwise for me to see Sharkey, and that I should tell Alley that we did not regard the proposal with favour: we did not think Sharkey particularly discreet, and that he

he was altogether too tricky. In other²⁸ words this is perhaps a convenient occasion to liquidate the whole business.

I saw Burt.

He will also tell me. He told me about ZIG ZAG. ZIG ZAG had been asked by a Yugo-Slav to do a job on a safe owned by the King of Yugo-Slavia. He had reconnoitred the position and had told the Yugo-Slav that he did not think the proposal was a good bet; he had, therefore, declined the offer. Since then the Yugo-Slav has been apprehended for the theft of the money and is at present awaiting trial. In this way ZIG ZAG learned that two other Yugo-Slav journalists were getting £40 a month from the Embassy to spy on their own nationals. Apparently we already have a certain amount of information about these two. Burt is going to let us have a full report. I previously understood that these two journalists were women. ZIG ZAG is working with WILMER, one of the ex-Mayfair Boys. WILMER brought in a diamond watch the other day and was caught by the Customs. This was unfortunate as Burt finds WILMER quite useful: he therefore squared the Customs to drop the prosecution provided that three times the value of the watch was paid. ZIG ZAG gave the cheque. In exchange for this little service, Burt will expect more information from ZIG ZAG and WILMER! Burt brought in Johnson, who has just been giving instruction in Holland to Einthoven's organisation, at the request of M.I.6.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Oct 2010

126

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010.

12th November.

Roger, Miss Chenhalls, and Hill discussed with me to-day the proposals for an International Red Cross agreement on the treatment of civilian detainees in time of war. I think Hill adequately safeguarded our position. We want to be protected firstly against obstruction in the Home Office, secondly against the passing of any clauses which might make interrogators feel that they were acting ultra vires. We have agreed to a clause stating that such detainees should be humanely treated, without specifying exactly what humane treatment is. Our interpretation would be that we are justified in exerting pressure, but we should be strongly opposed, as we were throughout the war, to any acts of physical violence.

George Jenkin came to see me. We discussed at some length the Pakistan Times leakage, and called in An examination of the seals seemed to indicate that the impression was made with the signet ring of A.N. Rizvi, George Jenkin's Moslem Superintendent. George Jenkin himself cannot recollect having borrowed Rizvi's

127

seal on this occasion, but said that he had done so on other occasions. Normally, however, he would have used the stamp of the Punjab C.I.D.: it was his habit to seal letters in either three or five places and he would undoubtedly have done this himself. He was considerably shaken at the thought that Rizvi had been responsible for opening the letter. Rizvi was the son of a man who was working in Ahmed's D.I.B.; he had been in the Punjab C.I.D. for many years and right up to the end had been acting with vigour not only against the Sikhs, but against his own people. He had appeared to be extremely distressed at George Jenkin's departure and had, in fact, wept in his office and kissed his feet. Apart from this, there did not seem to be any particular motive in what Rizvi had done. George Jenkin admitted, however, that in the present state of affairs almost anything was possible.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958.

Aug 2010

174

13th November.

Machell came to see me about a man called LASERSTEIN, who he gathered had formerly been employed by ourselves and was turned down for further employment. He had heard that LASERSTEIN was now going to take up some job in the Afghan Government in Kabul. Machell said that he had no axe to grind whatever, but he wondered whether the fact of LASERSTEIN going to take up a post in the Afghan Government might make it worth while for someone to reconsider his case. He personally did not know anything about LASERSTEIN or his past services.

Phillips, A.D.N.I., came over for a discussion with F-J, Boddington and myself about setting up some machinery by which the Navy could be kept informed of the reactions of the fleet to Admiralty orders. Phillips and the D.N.I. had evidently hoped that we would recruit suitable Marines in every port, who would report direct to us. I explained that it was not really within our Charter to look after the morale and discipline of the Navy: in fact the Prime Minister had attached great importance to our keeping clear of any possible accusation of being a Gestapo. We had, of course, ever since the days of Invergordon assisted the Admiralty in these matters, by reason of their system of discipline, which, unlike that in the Army and Air Force, made it difficult for naval officers to know exactly what their men were thinking. I did not think, however, that we were justified in going on with this ad hoc service, still less in extending it. As we understood our responsibilities, they were to inform N.I.D. regarding attempts by subversive organisations to undermine discipline in the Navy. If we went further than this, we might equally well be asked

to report on the feelings of the miners 129
about the Coal Board. At the moment we
were only responsible for reporting to
the Home Office or the Ministry of Fuel
and Power on the extent of Communist
influence in the Miners' Union, and on any
policy with regard to the miners formulated
by King Street. Phillips said that he
appreciated this point; he had, however,
thought that it would have made it easier
for us to carry out our strict charter if
we knew more about the ordinary grievances
of ratings upon which the Communist Party
might work. I emphasised that we could
not cover so wide a field, but that we
were fairly well placed for informing the
Admiralty the moment the Communists tried
to exploit a situation which generally
arose from purely natural causes. If
we really carried Phillips's proposals to
their logical conclusion, we should have
to vet their Lordships' orders before they
were sent out. Boddington suggested that
the Marines might possibly work through the
Marine Police, who are already concerned
with other matters in the dockyard, such
as pilfering, etc. Phillips said that he
would pass on our views to the D.N.I. and
would let us know in due course his
reactions.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958.

Aug 2010

Bo

A case has blown up with regard to Didcot. An individual rang up the Soviet Military Attache, both at his office and at his home, saying that he must see him urgently on an important matter. The appointment was apparently made for last Monday, but the information only reached the section to-day. We have got Arnold up from Didcot and are trying to identify the voice.

14th November.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

17th November.

Hugh Winterborn has arrived for the Conference.

For minutes of D.D.G. meeting held to-day see D.D.G. sec's folder.

The D.G. ^{saw} ~~was~~ the Prime Minister to-day. He expressed great anxiety about the Communists: he thought they were deliberately promoting strikes to sabotage the Royal Wedding. The D.G. asked him if he had heard of PIAZZA. He said that he had not. The D.G. ^{then} ~~explained~~ PIAZZA's history and the part that he was playing in the Savoy strike. He said, however,

that as far as he knew this had begun as a purely industrial dispute. The P.M. asked why PIAZZA was not deported as an undesirable alien. I reminded the D.G. that so far from deporting people of this kind, it was the Home Office policy not to regard membership of the Communist Party as a bar against naturalisation.

18th November.

We had our first meeting to-day with H/SIME and H/SIFE, the D.G. being in the Chair. There was a long Agenda and a good many matters were considered and some settled. The minutes are on record. Magan feels that if the final decision is that G.H.Q. should be at Nairobi, SIME should come to London and direct Middle Eastern affairs from here, which as a matter of distance is in fact nearer. If we succeeded in maintaining our hold on Cyrenaica, SIME should there with G.H.Q. It was, further, agreed that we should draw the attention of C.R.O. to the duplication of work between our D.S.O.s in Kuala Lumpur and Singapore and Dalley's M.S.S. In future the M.S.S. should be broken up between the two Commissioners of Police in the Malayan Union and Singapore, and act as the Special Branch under the local Police officials. Certain of the more confidential activities should be taken over by S.I.F.E. The present system would work if Dalley was a really reliable person, but unfortunately he is not. He has no high-powered agent in the Malayan Communist party and there are strong indications that if, as we intend to do, we put in an informant, Dalley will sabotage him.

The D.G. ruled that the terms of the General Burmese, who is to be head of our Military Mission in Burma, came to see me. He is extremely pleasant and the Bridges Agreement should be implemented by

the Heads of S.I.M.E. and S.I.F.E. To the full.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958.

Aug 2010

General Bourne, who is to be Head of our Military Mission in Burma, came to see me. He is an extremely pleasant person. I explained to him in rough outline our organisation here and abroad. I also told him about our position in Burma and about our relations with Thakin Nu. He told me that in addition to being Head of the Mission, he would act as Attache on the Minister's staff for all three Services. I impressed upon him that our activities were overt and that we were only feeling our way, but that if we could be of any assistance to him, the D.S.O. would be only too ready to help. He said that he would make contact with the D.S.O. immediately on his arrival. I thought that this could probably best be done in our Legation, to which we should both probably have access, since any apparent close co-operation with the Military Mission might bring suspicion on us both. He entirely agreed.

19th November.

Colonel Wild came to tell me that he was raising a certain matter at the next meeting of the Hollis Committee. S.O.E. were practicing deception in a somewhat light-hearted manner in connection with illegal immigration. He thought that L.C.S. should have a much closer hand in all this, otherwise the lines will become hopelessly crossed. Apart from this, S.O.E., working purely on an ad hoc basis, may, by the inadequacy of their methods, compromise deception as a whole. A recent case was their action in creating the notional "Defence of Arab Freedom" organisation. It was never very convincing from the start, and the fact that it has now faded away into thin air must make it clear to all concerned that the British created it for their own purposes. Personally, I agree with Wild's point of view, that these matters must be centralised and controlled in L.C.S.

135

Marriott and TAR came to talk to me about a Belgian, who has the appearance of being a Soviet agent sent here to obtain information about Russian and Polish emigres. She pretends that she is obtaining information from Russia through certain Russians whom she befriended in Belgium during the war. This gives her cover for making contact here with such people as BAIKALOFF. We are keeping her under observation.

Unknown to me Derby had made an appointment to meet SHARKEY. I told him to confirm, if necessary, the views that I had given to Alley and to listen to what SHARKEY had to say.

20th November.

Derbyshire told me that SHARKEY did all his usual stuff. It was quite clear that he had no evidence at all to support his story beyond the vague statement that a former dubious arms dealer, with whom he had been associated in Belgium, had a letter from the Soviet Embassy which he had not seen. He thought this was very sinister. He and Derby parted on quite good terms.

21st November.

After a long consultation with Magan and Dick, it was decided that Morton should make a tentative approach to Busk about obtaining Embassy cover. If this goes well he will telegraph back here and we will then approach Hayter. If Busk is unsympathetic we have an alternative plan for obtaining accommodation, which we shall purchase ourselves, remaining under Air Force cover. Morton is, I think, pleased with his visit and feels confident that if given the chance he could do valuable work in Iraq. The D.G. has approved this plan.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

At the J.I.C. to -day we discussed the question of Palestine records. I said that if we could obtain the necessary accommodation we should like to house them in the Middle East. We were, however, quite clear that they should be brought out of Palestine: if necessary we would bring them back to London. I asked that the J.I.C. should give their support to the necessary accommodation being made available in the Middle East. It was left to us to approach the Colonial Office in the matter of obtaining the services of LAWSON, the Hebrew speaker who knows the records inside out and will be useful at any rate for a period of six months. Quill asked what arrangements were going to be made for obtaining intelligence after the withdrawal.

I mentioned the fact that we were in liaison with the Agency, and that if it were thought desirable, we might continue it in a purely overt capacity. Hayter made a mental note of this, but did not commit himself, and I have no doubt saw the red light!

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

St. John came in to see me. He is going to Jamaica. I told him that I would give him an introduction to Bill Stephenson, who might possibly be able to help him.

Bennett brought me up a letter he had had from N.I.D. about a Swiss called FREI, who has a house somewhere on the west coast of Scotland near waters where the Navy is conducting trials. This man seems to have quite a lot of money and to be entertaining naval officers. I suggested to Dick that Mann should look into the case, although I doubt very much whether there

is anything in it.

137

24th November.

For minutes of D.D.G. meeting see folder held by D.D.G. Sec.

25th November.

I mentioned Air Marshal ~~Evill's~~ report at the D.G.'s meeting and suggested that we should consider it and put forward our views in case the report was sent back to the J.I.C. for comments. The only proposal in the report which really concerns us is the change recommended in the constitution of the J.I.C. It is suggested that greater powers should be given to the Chairman in the matter of supervision of the intelligence machine as a whole and the co-ordination of its component parts. He is not, however, to interfere with the internal workings of individual departments. It was suggested that he should have a small staff and deal exclusively with J.I.C. matters. The point is also raised as to whether he should be a representative of the F.O. or the Ministry of Defence. This last point is a difficult one; if he is to have jurisdiction over M.I.5./M.I.6. matters, it might be to our disadvantage if the Chairman were a representative of the F.O., since his first responsibility would be to M.I.6., a department which the Foreign Office controls. On the other hand if the F.O. is to shed responsibility and interest in intelligence matters as a whole, it would be a pity to let them drift into a position where they would take up a purely departmental attitude.

THE ORIGINAL DOCUMENT
RETAINED IN DEPARTMENT
UNDER SECTION 3(4) OF
THE PUBLIC RECORDS
ACT 1958. Aug 2010

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3(4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

S/R 7/75 to Pol F 8333-6
I gather that some progress has been made with Russian B.Js. 300 Americans, headed by two experts of L.S.I.C., were working on the job in the U.S.A., and a considerable number were similarly employed in this country. Some success was achieved over a message from Australia, dated about 1945, indicating that a Government document, supplied by us to the Australians, had leaked almost in toto. The Department for External Affairs in Australia is probably responsible. This is disquieting, since so much of our information is going in that direction and experimental work on rockets, etc., is being conducted in Australia. This would seem to make it even more important that we should have a representative in the Commonwealth Investigation Bureau, who would be linked to S.I.F.E. We discussed this the other day. The first proposal was that we should ask the Australians to send a representative to Singapore, although personally I think it would be preferable for us to send an officer to Canberra. We should then get a far better idea about Australian security and maybe we could do something to improve it. We should at least know who was reliable and who was not.

26th November.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

We had a meeting with Noel Wild, S.I.E.E., and S.I.F.E. on deception. The whole position was explained to them. The only positive conclusion seemed to be that it would be desirable, at any rate in the Middle East, for L.C.S. to have a representative - probably attached to the Defence Committee - who would co-ordinate the work of the Planners, S.I.M.E. and C.R.P.O.

Roger Moore called in. He doubted whether Sean McBRIDE would get into power next January, although he thought that Dev might lost ground.

I attended the D.G.'s cocktail party, where I had a word with Pendred about STORK, the Russian defector from the equivalent of R.A.E. Farnborough. He said that a lot of extremely valuable information had already been obtained: he seemed to have the answer to everything. I asked Pendred whether previous estimates about the potentialities of the Russian Air Force were confirmed. He said that from what he had been able to gather so far the Russians were not nearly so far as we thought they were.

27th November.

I saw Colonel Appleby, on the recommendation of Hugh Winterborn. Appleby has done most of his service in Burma, which he knows

inside out: he also knows all the dialects. Dick and I both thought he had useful qualifications, but it is very difficult in an interview of that kind to know whether he would have any flair for intelligence work. He has completed his term of service as a regular officer and is on a years leave. He is, therefore, available if we want him. I told him that it was impossible for us to say anything at the moment, since much depended on the attitude of the Burmese. If we did need his services, I would let him know. He is quite ready to go to Burma, although he has children. He would leave them here in charge of his sister. He is married, but divorced.

1st December.

Quill raised a point at to-day meeting of the Deputies of the J.I.C., as to what sources of intelligence would be available when we left Palestine.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

I said that we had some sort of a liaison with the Agency and that it might be that this could be continued if it were thought desirable. Nobody registered any view on this suggestion.

For minutes of D.D.G. Mtg. see
folder held by D.D.G. Sec.

Dick Butler came to talk about the Stephens case. I told him that the D.G. was proposing to see the D.M.I. privately and give him his views on the way the case was being conducted. He might also suggest that the D.M.I. liked Butler would talk to him off the record.

Howe gave a party at the Yard. I talked to Burt and 'C' about de BOURBON. I also had a conversation with Rymer-Jones, who was very depressed about the Palestine Police.

2nd December.

D.G. Meeting. (see minutes held by D.G.Sec.)

I talked to Hill about the arms traffic. EDRUSE, Hyderabad's War Minister is over here and working with RICKETT and Rex HOYES. They have both been to see Burt. There is also a good deal of information on demands by Paksitan to obtain arms.

I had a meeting with Dick, F.J. and Kellar about the Evill report. to decide on the line that we should adopt. General Hollis has to attend the J.I.C. on Wednesday to discuss the implementation of the report. I thought that we should say:
the

1. That/additional powers which Evill wished to see vested in the Chairman should be vested in the J.I.C. as a whole.

2. That, subject to 1. being agreed, we would prefer to see a Foreign Office Chairman. Our reasons for this decision were that it was better that the F.O. should feel an overall responsibility for intelligence matters than that they should be put in a position where they would merely act departmentally.

3. That instead of forming sub-committees for security and organisation, the problems of the J.I.C. should be dealt with as a whole, and that sub-committees should deal with them according to their importance or the amount of sifting that they required before coming up to the Directors.

3rd December.

Colonel Hinchlley Cooke spoke to me about visa policy. The Home Office want to give a greater measure of discretion to P.C.O.S. We have agreed that after a delay of a fortnight, subject to no objection being raised, to a telegraphic notification, visas may be granted to certain categories of people behind the Iron Curtain.

4th December.

We have had a telegram from Burma, saying that our position there has been accepted by the Burmese Government.

5th December.

At the J.I.C. tp-day Hayter said that the Foreign Office had had an interesting despatch from Duff Cooper, who did not take such a gloomy view as some about the situation in France. He thought that the Communists were losing ground and that their strike action was designed to provoke de Gaulle to seize power. They realised that they could not win if it came to a show-down. They thought, however, that if de Gaulle got into power he could rapidly be discredited owing to the severe measures which he would more or less be forced to take: any supporters that he had from the centre would then shift over to the Left. While Duff Cooper thought that Schuman was acting energetically and courageously, he felt it a pity that he was a member of the discredited M.R.P. rather than of the Socialist Party. He thought, however, that he might well succeed in getting France out of the present crisis; he had a majority of the votes in France at the moment. Hayter said that there was every sign of the Foreign Ministers' Conference breaking down

144 about the middle of next week.

I mentioned the somewhat unsatisfactory state of affairs in the J.I.C. (FE) and suggested that the matter should be placed on the Agenda next week, when Hugh Winterborn could attend.

ORIGINAL DOCUMENT RECORDED
IN DEPARTMENT OF RECORDS
3(4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

Colonel Lennox came to tell me that (Balloon)? was in touch with EDRUSE. He also lent me a paper which he received from a Colonel Maxwell in Italy: this related to the supply by our old friend GRAFFENREID VILLARS of arms to Hyderabad or Pakistan. We had been under the impression that the French had shot GRAFFENREID VILLARS as a spy at the outbreak of war, although as far as we knew he was innocent. Maxwell wanted to know whether such a deal had the approval of the British Government. I said that Pakistan being a Dominion, we could neither approve nor disapprove. If, however, thought fit to do the deal, we should be interested to know what happened.

At a meeting of the Appointments Board to-day we considered Ede's request to take up two directorships. This was agreed on the basis that they would not be connected with his official duties and would not occupy any official time.. It was pointed out that it was a normal Treasury regulation that directorships could be taken up on this basis by Government officials.

A plan is to be drawn up for our withdrawal from Palestine. Hornby is to go to East Africa. Hughes is to succeed Battersby at Kuala Lumpur in the spring of next year. U'ren is to succeed Bourne. is to go to the Far East, and Roger is to be re-engaged for a further period of two years in Hong Kong. I raised the question of Australia, and it was more or less agreed that after exploring the ground, an approach should be made suggesting that we establish a liaison officer in Australia.

Macdonald, who is returning from the Caribbean will go to B.3.a.

145

As regards the expansion of SIME and SIFE in time of war, it was agreed that the control should be retained by the D.G., but the expansion of staff should be on W.D. strength. As soon as possible we intend to compile a live register of reserve officers, who could be employed at H.Q.

I.P.I. is to continue as a separate entity for the time being.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

The D.G. had a visit from Gerald Templer, to whom he explained his views on the Stephens case. He did not discuss the merits of the case, but merely the gross irregularities in procedure. Gerald Templer was disturbed about this and said that he would prefer to keep clear of it himself; he would, however, talk to the A.A.G. and ask him whether he would like to see Dick Butler. Stephens is arriving in this country in a few days.

The D.G. has also seen Alexander, who produced for him a document drawn up by Cripps on the question of C.P. membership of Government employees. Cripps has ruled that C.P. members are not to be employed on secret or top secret work. This ruling has to receive final approval from the Cabinet: once it has been obtained the way will be clear for us to discuss with the relevant departments how these people can be side-tracked without giving rise to too much comment. Personally I do not see

how they can escape telling a man the reasons for his removal. 147

6th December.

Sir Charles Wickham came in to see me. He is leaving to-morrow for Greece, where he will probably remain until June. He takes rather an pessimistic view; he thinks that the Communists are gaining ground and that if the place is to be put on its feet, considerable assistance in funds would be required. Up to now all this has been rather half-hearted: the first thing is to get an increase in the strength of the Army, whose operations against the Communists are getting the Government nowhere. From time to time rather extravagant claims are made, but in fact the Communists always succeed in dispersing in the hills and re-forming elsewhere. Much larger forces are needed to round them up. Wickham was very insistent on keeping the Gendarmerie out of these operations, as he does not wish them to be in any way political. He feels that this is the real mistake made in Palestine; the Police there were drawn far too much into military operations. He had pointed this out during his visit, particularly the activities of Ferguson which led to the Farran incident.

I saw [] who was going to Holland. He is anxious to have some definite plan with us in the event of war. He thinks that if some sort of unification takes place between the Dept. of Justice and Einthoven, it might be possible to make arrangements for a nucleus to come over here. I agreed, but said that I felt it was even more important for the Dutch to establish a useful stay-behind organisation.

Cracroft, from the War Office, rang me up to say that a request for arms for Hyderabad was being made by Close Bros., and that it was being alleged that this had M.I.5. appro-

148

val. I told Cracroft that this was entirely untrue and that I should like to have details in order to look into the matter.

8th December.

I had a talk with Dick, Hollis, and F.J. about the case of FUCHS, who is employed on atomic research. The question of this man's establishment has come up. It was agreed that, although our information was entirely negative, we should tell Atomic Research what we know and express the opinion that in our view the information does not really amount to anything. The alternative was to say nothing, which seemed to me undesirable - the more so since Arnold the Security Officer at Harwell, would be putting in his comments which might be somewhat unbalanced.

I had a talk with Mills, who is back here from Gibraltar.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958
Aug 2010

I questioned him rather closely on how his agents were being run, and it seemed to me that he had instituted adequate safeguards. I told him that if a suitable opportunity arose, I felt that we might now relent in the case of MOLLINA, who had passed on information to the Germans during the war about the bogus Monty.

For minutes of D.D.G. meeting
see folder in D.D.G. Sec.'s tray.

B.I. take the view that the C.P. is anxious at the moment to avoid any strike action which may impede production; their main reason being to appear as "good boys" in the

eyes of the T.U.C. and avoid anything in the nature of a heresy hunt. They supported the Savoy strike, although it is doubtful whether they initiated it. This was not, however, a strike which would impede production - it only hit the managers of luxury hotels and the upper classes.

Caulfield came to talk to me about "SHARKEY", who had come to him with some proposal about anticipating the needs of the Poles in the Re-settlement Corps. He rather wanted to know what these funds were, as he did not wish to handle tainted money. As far as he could see the proposal was above-board. I told him that "SHARKEY" was not altogether in favour with this office; he was too tricky and his motives seemed to be too mixed for us to have any serious dealings with him. He talked a lot, but he really produced nothing. Caulfield said he thought that although "SHARKEY" had a kind of power complex, he was patriotic and not solely out to make money.

9th December.

Wild talked to me about his troubles with S.I.S. He thinks that all S.O. plans should be vetted by the Hollis Committee, since they might well have a deception aspect. He also thinks and has told them that if S.O. are operating in the Middle East, they should keep S.I.M.E. informed. 'C' is evidently very reluctant to move in this direction.

10th December.

I discussed with H/SIFE, Kellar and Courtenay two telegrams from Burma relating to the

D.S.O.'s Charter and his status vis-a-vis the Burmese authorities. It was decided that, although he was now to become a Second Secretary, he should explain to the Burmese authorities that his functions will remain the same. As to whether they continue to call him a S.L.O. or not was a matter of indifference.

I saw Admiral Thomson and Hill. The primary purpose was to discuss whether it was desirable to say anything to the Press about defectors. We explained all the circumstances carefully to the Admiral. He thought it would be best if he said a word personally to the News Editors of the Daily Express and the Daily Mail; he did not think it necessary to go further. He explained that their policy would to some extent be guided by any publicity that might be given to the matter in the British or American zones. I explained to him that even if something were said in Germany, from our point of view it was undesirable that it should be repeated over here. There were two things that we had to consider:

1. the man's personal safety, and
2. embarrassment between the Russians and the Foreign Office.

I took the opportunity of saying quite a lot to the Admiral about security matters. We finally got to the question of the Daily Worker, who still receive D. Notices. The Admiral thought it might be possible to ~~exclude~~ the Daily Worker, but he was not certain that this could not be done without it coming to their knowledge. We shall be considering this point further.

General Festing telephoned to me this afternoon. He said that as an enthusiast about Japanese swords he had for some time had

151

dealings with the firm of BAPTY & Co., who have a small shop somewhere off the Haymarket (this firm is well known to us, but I do not think there is anything wrong. There are two partners, one Mark DINLY or DINELY (also known to us) and a Commander WARD. DINLY is responsible for the story about Pakistan. General Festing intends to tell him that he has passed on his information to the authorities concerned, and that they will be taking whatever action they consider necessary. I asked Hill to approach DINLY.

I went to cocktail party. I was introduced to both the Assistant Military Attache and to the Consul General. We only discussed generalities. I had a short word with [] who is clearly very earnest in his desire to try and improve our relations and the flow of information. We are going to have a meeting in the near future.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958

11th December 1958. Aug 2010

I saw Dr. Cynthis CREWS to-day. She is a sister of Professor N.B. Jopson, []

His sister evidently has the same aptitude as himself for languages. Our file for Dr. CREWS relates almost entirely to the trouble over her with the British Council in Turkey. I asked her what she was doing during the war. She told me that she had worked for the British Council in Turkey, as a teacher of English in a secondary school. She felt, however, that she - and indeed the British Council as a whole - was wasting her time. It was clearly for this reason, I think, that she offered her services to M.I. in the

152
Middle East, and what happened afterwards was largely their fault. They began by suspecting her of being identical with a German spy called KROUS, and when they had cleared this up sent her back to the British Council, who repatriated her to England. At the end of 1942 she came up for employment with the Foreign Office, and was turned down as unsuitable, presumably owing to her behaviour in the Middle East. We, in writing to P.I.D., said that although we had nothing recorded against her from a security point of view, we thought that she was not a very suitable person for employment on highly secret or confidential work. Personally I do not think that this comment is really justifiable on the facts known to us. Dr. CREWS is now looking for work and is clearly an able linguist in Turkish, Roumanian, Spanish, French, German, Italian, and Judeo-Spanish. She would really like a permanent job in this country, but would not be averse to going abroad, provided she were not asked to be behind the Iron Curtain or to a disturbed area.

Mr. Humphrey of the Northern Rhodesian Police came to see me. He has been doing a short course here and was most appreciative of all that had been done for him. He said that his eyes had been very much opened to what was going on in the world. Northern Rhodesia was an isolated spot, and it was only by coming here that he realised the importance of certain things that might be going on in his own country. I explained to him on broad lines the principles on which we work. It seemed to me that it was always of value to keep a close eye on political movements of a subversive kind, even if they appeared to be purely indigenous. There might come a time later when some foreign power would find it advantageous to work on them. Hence the importance of getting in on the ground floor.

12th December.

Derbyshire came to tell me that at "SHARKEY's" request he had seen him and obtained some concrete information, albeit of minor importance. We are trying to get "SHARKEY" off, but it does not seem easy.

16th December.

Winterborn came to say good-bye. He felt that his visit had been useful, in that he had learned a good deal more about the work here. Unfortunately, however, it has not been possible to get a final settlement on the housing problem. We have decided to tackle the Colonial Office about Dalley's organisation. The D.G. will be looking into the matter when he goes to the Far East in the Spring.

17th December.

I gave a lecture to the I.D.C., more or less on the same lines as the one I gave last year. It was to a select audience of about sixteen, and followed one given by Noel Wild on deception.

18th December.

Stokes put down a question about the enquiries concerning the Interrogation Centre at Bad Nenndorf. He referred to this camp as a "M.I.5. Camp". Bevin, in making his reply, failed to correct the mistake. Needless to say, the question was never referred to us. I spoke to Dean, of the Foreign Office, about this matter and suggested that it might be possible to get another question put down, or to issue

some sort of official statement. While he was very apologetic, he did not like either of my suggestions, as he felt that they would only reactivate the Press and cause them to ask who, in fact, was in control of the camp. While this might be awkward for the Foreign Office, it^{is} clearly very undesirable that matters should be left as they are. As I explained to Dean, we get our full share of mud, and we are usually unable to throw any back. If the matter was not put right now, the Press would quote us again as soon as the proceedings broke in Germany. This kind of thing was extremely harmful to our work, since it built us up in the minds of the public as a kind of Gestapo. I told Dean that I would tell the D.G. what was said, but I did not know what action he would take.

Colonel Campbell of the J.A.G.'s Department called here to see Dick and myself. He said that he wanted to know (a) what the standing regulations were at Ham, (b) what instructions there were about punishments, and (c) what happened when Camp 020 was transferred to Germany. I said that we had nothing whatever to hide as regards Ham, apart from the security aspect of the work done there, but that I should be glad to know how the procedure at Ham was relevant to the proceedings now pending in Germany. Campbell replied that statements had been made in the summary of evidence that the camps in Germany had been set up on the lines of Ham, and that as no instructions had been given by the Control Commission, he was anxious to know what the standing orders and procedure at Ham were. I told him that neither Dick White nor myself had any responsibility for the administration of Ham, and that without reference to the files I could not give him first-hand knowledge of any standing orders there were about punishments. The camp had been set up on the orders of Lord Swinton, who was, I believe,

at that time Executive Head of M.I.5. It seemed to us doubtful whether any orders in writing had been issued at the outset, although there had been many discussions. It seemed likely, however, that orders had been issued by the Commandant and that these could be traced.

As regards punishments, it was within our knowledge that, mainly for administrative purposes, people were kept in solitary confinement: it was obviously essential that two or more spies who had been working together should not have an opportunity of concocting a story. We thought, too, that for any offences against prison discipline there would have been some form of punishment, although we were confident that no violence was ever used, and that there was no curtailment of rations. We only knew of one instance where violence had been used, and this had been done by a visiting officer. On Stephens's own initiative the officer was thrown out of the prison at once and was never allowed to come back.

We impressed upon Campbell that Camp 020 was authorised as a place of detention by the Home Secretary, and was visited on several occasions by the Under Secretary of State and also by the Parliamentary Secretary and the Home Office doctor: no complaints of substance had ever been received - in fact all had expressed their appreciation of the way the camp was being run. There had also been visits from time to time from the P.W.D., to whom Stephens was responsible for the discipline and welfare of the guards. We both said that we should be extremely shocked and surprised to hear that Stephens could have been a party to any form of third-degree, since, apart from the moral issue, he and all of us were quite convinced that intelligence received under duress was bad intelligence. We had had very vivid experience of this in two cases where we cleared prisoners and passed them on to the

French Forces. The French had extracted what they called a "confession", through which we had been able to "drive a coach and four". We told Campbell that there were perhaps four people who might be able to obtain for him the evidence he required about punishments; these were Sir Alexander Maxwell, Sir Osbert Peake, Sir Herbert Greedy, and the late Director-General.

Colonel Campbell asked me to make enquiries and to let him know whether any of these people could supply him with the information which he required; he would then make arrangements for either himself or Lord Russell to see them.

The D.G. is going to see the P.M. about the Red Cross Convention, which is trying to restrict our powers in dealing with suspects in time of war. The Home Office and the local pundits are with us in insisting that the type of people with whom we deal should be excluded from the Convention, and that there should be no vague phraseology on this point. If the matter is left in the air, the Home Office of the day may well refuse to allow us to set up anything in the nature of Camp 020, in which case we shall be completely hamstrung. It is, further, necessary to protect our interrogating officers, who may be reluctant to do the work if they feel there is any likelihood of their being held up as war criminals after hostilities.

19th December.

Dick and I took Stephens out to lunch. He is extremely bitter about his treatment: he says that not only has he been virtually under arrest for seven months, but that all his belongings have been stolen by the guards, etc. He is quite emphatic about his ignorance of any improper activities going on in the camp,

with the exception of certain minor incidents with which he dealt. He is, however, fairly convinced that some of the charges against subordinate officers and guards are justifiable. His own orders against third-degree or any form of maltreatment, were quite emphatic and are admitted by those accused. He complained bitterly about the lack of support which he got from the Control Commission: in spite of repeated complaints, particularly about the quality of the officers and the guards - at one time he had as many as fifty guards with criminal records; one man had forty-nine convictions. He realised that the job was more than he could handle and asked for a second-in-command, which was refused. He had not been able to exercise the same supervision as he did at Ham, owing to the enormous amount of administrative paper work which he was forced to handle. This was partly due to the cumbersome administrative machinery of the Control Commission, and partly to what appeared to be systematic obstruction or incompetence. He asked about his future. I said that the D.G. could not possibly commit himself until the proceedings were over.

22nd December.

Butler came in. I told him about our talk with Stephens. He could not give any definite opinion, but, as far as he and Cussen could see, they ought to be able satisfactorily to dispose of the suggestions that Stephens was a party to the third-degree methods used at Bad Nenndorf. It would, however, be difficult to clear him of any blame for what went on there, owing to the position that he held. He will, however, be able to plead extenuating circumstances.

Hunt came to tell me that

THIS DOCUMENT
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

he had received what he thought was a very favourable offer from the Colonial Development Board, through some friend of his. He had been to see Garrow-Jones (?) - now Lord stick-in-the mud! - who seems to have accepted him at sight! I think they were impressed by his record with Steel Brothers in Burma. He is to hold himself in readiness to go to British Guiana, where he is to make a preliminary report on possible lines of development.

I saw Maxwell and gave him an account of the Bad Nenndorf incident and Campbell's approach to us. Maxwell said that he was extremely sorry to hear that Stephens was in trouble. He firmly believed that O20 had been run on perfectly above-board lines, and that Stephens had done an extremely good job under very difficult circumstances. He said he would be perfectly prepared to see Colonel Campbell, although he did not recollect any instructions or rules about punishments at O20.

23rd December

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3(4) OF THE PUBLIC RECORDS
ACT 1958. Aug 2010

Mr. Eric F. Hall called to see me to-day. He produced a letter which he had received from the solicitors of Captain SMITH, the Medical Officer at Bad Nenndorf. He did not know anything about the case and wondered whether it was in order for him to make a statement. I told him briefly what it was all about, and that I thought he should go and see the solicitors as requested. He said that on the particular point in question, namely, whether the authorities provided the doctor with an ambulance, he could state that Colonel Stephens had asked that an ambulance should be provided, but that his request had not been acceded to. There were, I gather, very real difficulties in procuring an ambulance at that time. To

get over these difficulties, a covered van, which had formerly been used at Ham for conveying prisoners, had been adapted for hospital use and was always at the disposal of the doctor.

Mr. Hall was in the same position as Stimson at Camp 020 - in other words he was the Chief Administration Officer under Stephens until he was demobilised. He was quite clear that strict instructions had been issued by Stephens that no acts of violence were to take place, and that in cases where solitary confinement was thought necessary, the matter had to be referred to Stephens before any action was taken. The regulations were extremely strict and on exactly the same lines as Ham. He himself had no knowledge of any punishments being inflicted, or of any third-degree methods being employed, but he appears to have left the establishment at the end of 1945 or beginning of 1946.

I asked Hall whether he would be prepared to see Dick Butler. He said that he would be very ready to do so.

I saw Captain Moran to-day, who was at Camp 020 and subsequently with Colonel Stephens in Germany. He left Germany to take up other duties in Czechoslovakia in April, 1945, and did not return to Bad Nenndorf until about March, 1946. He had been in charge of the prison and took over again on his return, when he was shocked by what he found. Enquiries had then started and obviously a bad state of affairs existed. The guards were ill-disciplined and ordered prisoners about in a manner of which he did not approve. The rations were in part being eaten by the guards and the prisoners were badly clothed. He set himself to put this right, but did not inform Stephens as he did not wish to get his predecessors into trouble. He knew of no punishments, and had no knowledge of scrubbing cells, other than the normal cleaning out of cells which took place two or three times a week. He had received instructions since

his return to this country to see Colonel Campbell. He was specifically asked about punishments both at Camp 020 and in Germany, and also about solitary confinement. His recollections of Camp 020 were at the time a bit hazy, and he was asked to go away and consider various points which had been put to him before returning for a further interview on January 5th.

While turning over the records Colonel Campbell had said, en passant: "Some of your statements do not altogether agree with Colonel Stephens' - you know, of course, that he is trying to "ship" all his officers". Captain Moran was rather shocked by this remark, as it seemed to him that it was made deliberately to induce him to say things against Stephens, and there was of course an implied threat that if he did not he might find himself in the same boat.

I told Captain Moran that I was in a slightly difficult position, in that I appeared, through no desire of my own, to be assisting the prosecution and the defence. I did not quite know what my position was, or what his was; I would, however, take advice. If I found that it was in order, I felt that Captain Moran should inform Colonel Stephens's Counsel of what had been said. If, therefore, he received a request to go and see Mr. Dick Butler, he could take it that the matter was in order. I was solely interested in the elucidation of all the facts, and if the prosecution were trying to build up their case in this kind of way, there might well be a miscarriage of justice.

30th December.

At the D.G.'s meeting to-day I mentioned a letter that we had had from 'C', about the proposal that we should put an officer in the Intelligence Division of the Control Commission in Germany. The Intelligence Division had asked us to do this a long time ago, but at

161

that time we had no officer to spare. I had mentioned the matter informally to General Lethbridge when I saw him at the J.I.C. some weeks ago, as a result of which Colonel Rhodes, one of his officers, had called on Dick White and myself. The matter was further discussed by Rhodes with General Lethbridge, and a short time ago we received a letter from the Intelligence Division, saying that they very much welcomed the idea of having one of our officers in Germany. The D.G. had approved, subject to the whole question being looked into by Dick when he went to Germany with the J.I.C. delegation. It seemed to me a desirable appointment, since it would merely be an extension of our existing liaison. We should get to know more about Russian activities in Germany, and they would have the advantage of our collated records here. Apart from this, we had a definite interest in view of possible attempts by the Russians to penetrate this country. It was difficult to see why 'C' had referred this matter to the Foreign Office, since there was no question of opening up relations with the local authorities, but merely improving relations with another British Department.

Charles Butler and I went to see Bamford of the Treasury about the Stephens case. Bamford agreed that it was right for us to give reasonable financial assistance, the more so since O20 was clearly going to be brought into the picture.

31st December.

Kirby-Green and Macdonald came to see me. They have just arrived back from the Caribbean. They both seemed to think that in the absence of any possibility of doing the job on a big scale, it was better to pack it up. I told them to read Thistle's report, with which I thought they would be

162

in substantial agreement: we would then have a meeting and decide what could best be done in the matter of maintaining touch with the area.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958.

Aug 2010

